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GENERAL STATUTES

OF THE

COMMONWEALTH OF MASSACHUSETTS

RELATING TO

INSURANCE AND INSURANCE COMPANIES.

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GENERAL STATUTES
OF THE
COMMONWEALTH OF MASSACHUSETTS
RELATING TO
INSURANCE AND INSURANCE COMPANIES.

Insurance Department,

Boston, December 1, 1881.

THE following Chapter, One Hundred Nineteen of the Public Statutes, as now codified and enacted, includes all laws of the Commonwealth regulating the business of Fire, Marine, Life, Casualty, and Fidelity Insurance (other than co-operative) transacted within its limits by Home Companies, and by Companies of other States and countries.

Subsequent enactments, amendatory or additional, will be found both in the annually published laws of the State, and in the Annual Reports of this Department.

JULIUS L. CLARKE,
Insurance Commissioner.

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Construction of words and phrases.
G. S. 58, § 78.
1873, 141, § 14.
1878, 130, § 7.

SECTION 1. The phrase "insurance company" and the word "company," as used in this chapter, shall, unless specially limited, or unless such construction would be inconsistent with the manifest intent of the general court, be construed to include all corporations, associations, partnerships, or individuals engaged as principals in the business of insurance. The word "domestic" applies to all those incorporated or formed in this commonwealth, and the word "foreign" applies to all those not incorporated or formed therein.

INSURANCE COMMISSIONER.

Insurance commissioner; to act as actuary; appointment; tenure of office; bond; salary.
G. S. 58, § 1.
1876, 255, § 1.
1897, 267, § 9.
1879, 109, § 1.

SECT. 2. There shall be an insurance commissioner, appointed by the governor with the advice and consent of the council, who shall hold his office for three years from the date of his commission and until his successor is appointed and qualified, unless sooner removed by the governor. He shall give bond in the sum of ten thousand dollars for the faithful discharge of his duties, with sufficient sureties to be approved by the treasurer of the commonwealth. He shall also act as actuary, and shall receive in full compensation for all services, both as commissioner and actuary, an annual salary of three thousand dollars.

Deputy-commissioner.
1871, 297, § 6.
1879, 109, § 1.

SECT. 3. The commissioner may appoint, with the approval of the governor and council and subject to removal with their consent, a deputy-commissioner, to assist him in the discharge of his official duties, who shall receive an annual salary of two thousand five hundred dollars.

Clerks and assistants.
Compensation.
1871, 297, § 6.
1872, 374, § 1.
1879, 109, § 3.

SECT. 4. The commissioner may employ in the discharge of the duties of his department a first clerk with an annual salary of eighteen hundred dollars, a second clerk with an annual salary of fifteen hundred dollars, and an extra clerk with an annual salary of one thousand dollars; and such additional clerks and other assistants as may be necessary for the despatch of public business, at an expense not exceeding seven thousand dollars a year.

Commissioner to examine new companies before they issue policies.
1871, 297, § 5.

SECT. 5. No domestic insurance company shall issue policies until upon examination by the commissioner or his deputy it is found to have complied with the laws of the commonwealth, nor until it has obtained from the commissioner a certificate setting forth that fact and authorizing it to issue policies. For such examination it shall pay into the treasury of the commonwealth thirty dollars.

when to examine domestic companies.
G. S. 58, § 2.
1871, 297, § 1.

SECT. 6. The commissioner or his deputy shall visit each domestic insurance company at least once in three years and whenever he deems it necessary for the protection of policy-holders, and shall thoroughly inspect and examine all its affairs, and especially its financial condition and ability to fulfil its obligations, and shall ascertain whether it has complied with all the provisions of law applicable to it and to its transactions. He shall also visit and in like manner examine any such company when requested in writing by five or more stockholders or creditors thereof or persons pecuniarily interested therein.

may examine foreign companies. Expense, how borne.
1871, 297, § 2.

SECT. 7. He shall in like manner, whenever he deems it necessary for the protection of policy-holders in this commonwealth, visit and examine, as aforesaid, any foreign insurance company doing business by agencies therein. He may employ such assistants as may be necessary in making the examination, and all the expenses thereof shall be borne by the company examined.

to have free access to books, etc., and may examine officers, etc.
Penalty.

SECT. 8. For the purposes aforesaid, the commissioner or his deputy shall have free access to all the books and papers of any insurance company, and may examine under oath its officers or agents relative to its business and condition. If any foreign insurance com-

pany, its officers or agents, refuse to submit to such examination or to comply with any provision of this chapter in relation thereto, its authority to do business in this commonwealth shall cease.

SECT. 9. He may at any time require the agents in this commonwealth of any foreign insurance company to exhibit the books kept by them relating to such agencies, and to make answer in writing and under oath to all reasonable questions proposed by him in order to elicit a full statement of the business done by such agent; and an agent refusing or neglecting for thirty days to answer such interrogatories shall be deemed not to have complied with the laws of this commonwealth, and, if he continues to act as such agent, shall be punished by fine not exceeding one thousand dollars.

SECT. 10. He may summon and examine under oath, which he may administer, the directors, officers, and agents of any insurance company, and such other persons as he may think proper, in relation to its affairs, transactions, and condition; and whoever without justifiable cause refuses to appear and testify when so required, or obstructs him in the discharge of his duty, shall for each offence be punished by fine not exceeding one thousand dollars, or imprisonment not exceeding one year.

SECT. 11. When, in determining the liabilities of an insurance company, it is necessary to ascertain the amount necessary to re-insure all its outstanding risks, he shall compute the same by taking fifty per cent of the amount of premium written in its policies upon outstanding fire and inland risks, and the full amount of premium written in its policies upon marine risks not marked off.

SECT. 12. He shall publish in the newspaper in which the general laws are published the result of any examination made under section six or seven, whenever he deems it expedient.

SECT. 13. If it appears to him upon an examination that a foreign insurance company is in an unsound condition, or if any such company refuses to submit to an examination as provided in section seven, he shall revoke all certificates of authority granted in its behalf or to its agents, and shall cause notice of such revocation to be published in the newspaper in which the general laws are published, and no new business shall be thereafter done by it or its agents in this commonwealth.

SECT. 14. If he is of opinion upon examination that any domestic insurance company is insolvent, or that its condition is such as to render its further proceedings hazardous to the public or to those holding its policies, he shall apply to a justice of the supreme judicial court to issue an injunction restraining it in whole or in part from further proceeding with its business. Such justice may, in his discretion, issue the injunction forthwith or upon notice and hearing, and after a full hearing of all parties interested may dissolve or modify the injunction or make it perpetual; may make such orders and decrees as may be needful to suspend, restrain, or prohibit the further continuance of the business of such company; and may appoint agents or receivers to take possession of its property and effects, subject to such rules and orders as may be from time to time prescribed by the court or a justice thereof according to the course of proceedings in equity.

SECT. 15. If he is of opinion upon examination that an insurance company has exceeded its powers or failed to comply with any provisions of law, he may apply to a justice of the supreme judicial court to issue an injunction restraining it in whole or in part from further proceeding with its business; and the provisions of the preceding section shall apply to proceedings under this section.

SECT. 16. If in his opinion any insurance company, or an officer

1871, 297, § 3.

Commissioner may examine books and agents of foreign companies. Penalty. G. S. 58, § 3.

may examine officers, etc., of any company. Penalty. G. S. 58, § 5.

how to determine amount necessary to insure outstanding risks. 1874, 103. 1880, 35.

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shall apply for injunction in case of insolvency, etc. Proceedings. G. S. 58, § 6. 1802, 131, § 1.

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to report

violations of law.
Attorney-general to prosecute, etc.
G. S. 58, § 8.
Commissioner to calculate value of life policies yearly.
G. S. 58, § 4.

to collect fee for certificates, etc.
1867, 267, § 6.
1870, 349, § 8.

to furnish forms for returns.
G. S. 58, § 7.

to keep record of proceedings, etc.
G. S. 58, § 9.

to make annual report of receipts and expenditures, of condition, etc., of companies.
G. S. 58, § 10.
1867, 267, § 9.

or agent thereof, has violated any law relative to such company, he shall forthwith report the facts, with such statements and remarks as he deems expedient, to the attorney-general, who shall at once prosecute said company, officer, or agent, therefor. 1871, 297, § 9.

SECT. 17. Upon some day designated by him in each year, he shall calculate the existing value of all outstanding policies of life insurance in companies authorized to make insurance on lives in this commonwealth.

SECT. 18. He shall collect two dollars for each certificate of the valuation of the outstanding policies of an insurance company doing business in this commonwealth; and twelve cents a page for each copy of a paper on file in his office, and one dollar for certifying the same.

SECT. 19. He shall annually in September furnish to the insurance companies in this commonwealth, and to the agents known to him of foreign insurance companies doing business therein, two or more printed copies of the forms of returns to be made by them.

SECT. 20. He shall keep and preserve in a permanent form a full record of his proceedings, including a concise statement of the condition of each insurance company visited or examined by himself or his deputy.

SECT. 21. He shall report annually to the general court all the receipts and expenditures of his department; and shall annually at the earliest practicable date after the returns are received from the several insurance companies make a report to the general court of the general conduct and condition of those visited since his last annual report, with such suggestions as he deems expedient, and shall include therein an aggregate of the calculated values of all outstanding policies of life insurance; and in connection therewith shall prepare an abstract of all the returns and statements made to him by insurance companies and agents.

COMPANIES SPECIALLY CHARTERED.

General powers, etc., of domestic companies.
Charters extended.
G. S. 58, § 12.
1875, 34, § 1.

First meeting of companies specially chartered, how called.
G. S. 58, § 13.

to give notice of organization, etc.
G. S. 58, § 14.

SECT. 22. Insurance companies incorporated by special acts in this commonwealth may exercise the powers and shall be subject to the duties and liabilities provided in this chapter, so far as consistent with their respective charters; and such companies whose charters are subject to a limitation of time shall continue to be bodies corporate notwithstanding such limitation, and subject, after the expiration of such limitation, to all general laws which are or may be in force applicable thereto.

SECT. 23. The first meeting of such companies hereafter organized shall be called by a notice signed by one or more of the persons named in the act of incorporation, setting forth the time, place, and purposes of the meeting, which shall seven days at least before the meeting be delivered to each member, or published in some newspaper of the county in which the company is established, or, if there is no such paper, in some newspaper of an adjoining county.

SECT. 24. Every such company shall give notice in writing to the secretary of the commonwealth of the acceptance of its charter, and of its organization under the same, within one year from the date thereof, or the same shall be void.

COMPANIES ORGANIZED UNDER GENERAL LAWS.

Companies organized under general laws.
1872, 375, § 1.

SECT. 25. Insurance companies heretofore organized under general laws may exercise the powers and shall be subject to the duties and liabilities provided in this chapter. 1873, 167, § 1.

SECT. 26. Ten or more residents of this commonwealth, who associate themselves together by such an agreement in writing as is described in the following section, with the intention of forming a corporation for transacting the business of insurance, either upon the stock or mutual plan, against loss or damage by fire, lightning, tempest, or the perils of the sea and other perils usually insured against by marine insurance companies including risks of inland navigation and transportation, or of forming a stock corporation for insuring against loss or damage by the breaking of plate glass, local or in transit, upon complying with the provisions of the nine following sections, shall be and remain a corporation.

Ten or more residents may form a corporation to insure against fire, etc. 1872, 375, § 1. 1873, 167, § 1.

SECT. 27. Such agreement shall state that the subscribers associate themselves with the intention of forming a corporation, the name by which the corporation shall be known, the class or classes of insurance for the transaction of which it is formed, the plan upon which the business is to be conducted, the town or city, which shall be within this commonwealth, in which it is established or located, and, if a joint stock company, the amount of its capital stock, and, if a mutual company with a guaranty capital, the amount thereof.

Agreement of association. 1872, 375, § 2, cl. 1.

SECT. 28. Any name not previously in use by an existing corporation or company may be adopted; but the words "insurance company," or, if the business is to be conducted upon the mutual principle, the words "mutual insurance company," shall constitute a part of such name. No certificate shall be granted by the insurance commissioner as hereinafter provided if in his judgment the name adopted too closely resembles the name of an existing corporation or company, or is likely to mislead the public.

Corporate name. 1872, 375, § 5.

SECT. 29. The capital stock of a stock company so organized to insure against loss or damage by fire, or by fire and lightning only, shall not be less than two hundred thousand dollars if the company is located in Boston, and not less than one hundred thousand dollars if located elsewhere. If insuring marine or inland risks, either alone or in conjunction with fire risks, its capital stock shall not be less than three hundred thousand dollars if the company is located in Boston, and not less than two hundred thousand dollars if located elsewhere. If organized to insure plate glass, the capital stock shall not be less than fifty thousand dollars.

Limit of capital stock. 1872, 375, § 2, cl. 2. 1873, 167, § 2.

SECT. 30. A mutual fire-insurance company may be formed with a guaranty capital of not less than one hundred thousand nor more than three hundred thousand dollars, divided into shares of one hundred dollars each, and no policy shall be issued until the whole amount of the guaranty capital fixed by the articles of association has been paid in cash, and invested in accordance with the provisions of section fifty-five.

Mutual fire companies may have guaranty capital. Policies not to be issued until, etc. 1872, 375, § 3.

SECT. 31. A mutual marine or mutual fire and marine insurance company may be formed with a permanent fund of not less than four hundred thousand dollars, subscribed under the provisions of sections one hundred and sixteen to one hundred and nineteen inclusive; and no policy shall be issued until one-half of said permanent fund has been paid in cash, which shall be divided into shares of one hundred dollars each. Any such corporation may increase its permanent fund to an amount not exceeding one million dollars.

Mutual marine and fire and marine companies may have permanent fund. Policies not to be issued until, etc. 1872, 375, § 4.

SECT. 32. The first meeting for the purpose of organization shall be called by a notice signed by one or more of the subscribers to such agreement, stating the time, place, and purpose of the meeting, a copy of which notice shall, seven days at least before the day appointed, be given to each subscriber, or left at his usual place of business or residence, or deposited in the post-office, postage prepaid, and addressed to him at his usual place of business or residence. And who-

Call of first meeting. 1872, 375, § 6.

ever gives such notices shall make affidavit of his doings, which shall be entered upon the records of the company.

Organization to be effected at first meeting by choice of a temporary clerk, directors, etc. 1872, 375, § 7.

SECT. 33. At such first meeting, including any adjournment thereof, an organization shall be effected by the choice by ballot of a temporary clerk, who shall be sworn, by the adoption of by-laws, and by the election of directors and such other officers as the by-laws may require; but at such first meeting no person shall be elected director who has not signed the articles of association. The temporary clerk shall record the proceedings until and including the choice and qualification of the secretary.

President, secretary, etc. 1872, 375, § 8.

SECT. 34. The directors so chosen shall elect a president, secretary, and any other officers which under the by-laws they are authorized to choose.

Certificate to be submitted to commissioner, and filed in office of the secretary of the commonwealth. 1872, 375, §§ 9, 14.

SECT. 35. The president, secretary, and a majority of the directors shall forthwith make, sign, and swear to a certificate setting forth a copy of the articles of association, with the names of the subscribers thereto, the date of the first meeting and of any adjournments thereof, and shall submit such certificate and the records of the corporation to the insurance commissioner, who shall examine the same, and who may require such other evidence as he may judge necessary. The commissioner, if it appears that the requirements of the nine preceding sections have been complied with, shall certify that fact, and his approval of the certificate, by indorsement thereon. Such certificate shall thereupon be filed by said officers in the office of the secretary of the commonwealth, who upon payment of a fee of twenty-five dollars shall cause the certificate with the indorsement thereon to be recorded, and shall issue a certificate in the following form:—

COMMONWEALTH OF MASSACHUSETTS.

Form of certificate.

Be it known, that whereas [here the names of the subscribers to the articles of association shall be inserted] have associated themselves with the intention of forming a corporation under the name of [here the name of the corporation shall be inserted], for the purpose [here the purpose declared in the articles of association shall be inserted], with a capital [or with a permanent fund] of [here the amount of capital or permanent fund fixed in the articles of association shall be inserted], and have complied with the provisions of the statutes of this commonwealth in such case made and provided, as appears from the certificate of the president, secretary, and directors of said corporation, duly approved by the insurance commissioner and recorded in this office: now, therefore, I [here the name of the secretary shall be inserted], secretary of the Commonwealth of Massachusetts, do hereby certify that said [here the names of the subscribers to the articles of association shall be inserted], their associates and successors, are legally organized and established as, and are hereby made an existing corporation under the name of [here the name of the corporation shall be inserted], with the powers, rights, and privileges, and subject to the duties, liabilities, and restrictions, which by law appertain thereto. Witness my official signature hereunto subscribed, and the seal of the Commonwealth of Massachusetts hereunto affixed, this _____ day of _____, in the year _____.

[In these blanks the day, month, and year of execution of the certificate shall be inserted; and in the case of purely mutual companies, so much as relates to capital stock shall be omitted.]

Certificate to be conclusive evidence of organization, etc.

The secretary shall sign the same and cause the seal of the commonwealth to be thereto affixed, and such certificate shall have the force and effect of a special charter, and be conclusive evidence of the organization and establishment of such corporation. He shall also cause a record of such certificate to be made, and a certified copy of such record may be given in evidence with like effect as the original certificate.

Companies so organized may hold real estate. 1872, 375, § 15.

SECT. 36. An insurance company so formed may hold real estate for the purposes of its business to an amount not exceeding twenty-five per cent of its cash assets.

to issue

SECT. 37. If a company so formed does not commence to issue

policies within one year after the date of its certificate of organization, its corporate powers and existence shall cease.

1872, 375, § 20.

policies within one year.

SECT. 38. No policy shall be issued by a purely mutual company so formed, until five hundred thousand dollars, in sums not exceeding twenty-five hundred dollars on any one risk, have been subscribed, to be insured and entered on its books; except that in any town of less than four thousand inhabitants a company may be so formed to insure only dwelling-houses, farm buildings, and their contents within the limits of the town where said company is located, and may issue policies when fifty thousand dollars have been subscribed to be insured.

Mutual company not to issue policy until five hundred thousand dollars have been subscribed, except, etc.
1872, 375, § 10.
1878, 33, § 1.

SECT. 39. The franchises, rights, powers, privileges, duties, and liabilities of insurance companies organized under this chapter may be altered, amended, or repealed, and the general court may annul or dissolve any such corporation.

Right of commonwealth to amend, alter, repeal, etc.
1872, 375, § 21.

GENERAL PROVISIONS RELATING TO MASSACHUSETTS COMPANIES.

SECT. 40. Any domestic insurance company may provide by its by-laws for the election annually of a vice-president, who shall be sworn, and shall perform such duties as may be prescribed by the by-laws or by the directors. Policies, checks, and other instruments signed by him shall have the same force and effect as if signed by the president or by two directors.

Company may elect a vice-president. His powers, etc.
1864, 113.

SECT. 41. The secretary and treasurer of every domestic insurance company shall give bond, in such sum as may be required by the directors, for the faithful discharge of their respective duties.

Secretary and treasurer.
G. S. 58, § 17.

SECT. 42. All matters proposed to be acted upon at any meeting of such companies shall be specified in the call for the same.

Call for meetings.
G. S. 58, § 15.

SECT. 43. Such companies may adopt by-laws for conducting their business, not repugnant to law or to their respective charters, but shall not, by any condition, restriction, or stipulation in their by-laws or policies, designate the county in which any suit shall be brought against the company, or limit the term of commencing such suit to a period less than two years from the time when the right thereto accrues.

By-laws; venue of actions; limitation of suits.
G. S. 58, § 16.

SECT. 44. Such companies shall have their office in the city or town specified in their charter; and when they establish agencies in other cities or towns, all signs, cards, pamphlets, and advertisements exhibited or issued by them shall specify the city or town where the company they represent is located.

Office for business; cards, etc., to specify location.
G. S. 58, § 18.

SECT. 45. Every such company shall be liable to be taxed by any general law taxing insurance companies; and its directors shall when required furnish to the general court, or to a committee thereof, or to the insurance commissioner, a statement of its affairs signed by the president and secretary and sworn by them to be correct according to their best knowledge and belief, and shall submit to an examination on oath concerning the same.

Companies liable to taxation; to furnish statements of their affairs.
G. S. 58, § 19.

SECT. 46. All investments of the funds of every such company shall be made in its corporate name; and funds of such companies as classify their risks shall be kept and invested separately, so as to designate the assets belonging to each class.

funds of, how to be invested.
G. S. 58, § 20.

SECT. 47. No member of a committee or officer of a domestic insurance company, who is charged with the duty of investing its funds, shall borrow the same, or be surety for such loans to others, or directly or indirectly be liable for money borrowed of the company.

investing officers not to borrow.
G. S. 58, § 21.
1879, 51, § 1.

SECT. 48. Mortgages on real estate, held by a domestic insurance company, may be attached and taken and sold on execution in the manner provided in chapter one hundred and eighteen in respect to

mortgages held by, may be taken on execution.

G. S. 58, § 22.

Companies not to trade, except, etc.
G. S. 58, § 23.

Fire company, ceasing to insure for one year, to become extinct. Proceedings thereon.
1863, 249, §§ 1, 2.
11 Allen, 574.

mortgages held by banks ; and the secretary shall perform the duties therein required of cashiers and clerks.

SECT. 49. No insurance company shall deal or trade in buying or selling goods, wares, or merchandise, except articles insured by it, on which losses are claimed, and except in replacing, rebuilding, or repairing property insured.

SECT. 50. The corporate powers of any domestic fire-insurance company, which, either by the vote of its members, the neglect of its officers, or in obedience to an injunction from the supreme judicial court, for the period of one year insures no property, shall cease by their own limitation. The supreme judicial court, upon the application of the insurance commissioner or of any person interested, may fix by decree the time within which any such company shall settle and close its concerns.

STOCK COMPANIES.

Stock companies to choose directors; directors to accept; quorum; vacancies; proxies; evidence of elections.
G. S. 58, § 27.
1881, 142, § 1.

SECT. 51. Every domestic stock insurance company shall annually choose by ballot from its stockholders resident in this commonwealth not less than five directors, who shall hold office for one year and until others are chosen and qualified in their stead. Such directors when elected and notified shall before they are qualified to act declare their acceptance in writing to the secretary of the company. Not less than four directors shall constitute a quorum ; and all questions shall be decided by a majority of those present. Vacancies in any office may be filled by the directors or by a meeting of stockholders called for the purpose. At all meetings each stockholder shall be entitled to one vote for each share held by him, not exceeding, however, one-tenth part of the whole capital stock. Proxies may be authorized in writing, but no officer shall vote as proxy. The record of the votes, whether cast in person or by proxy, made by the secretary or clerk of the company, shall be evidence of all such elections.

to choose president and secretary, who shall be sworn; duties of secretary.
G. S. 58, § 28.
1864, 113.

SECT. 52. The directors shall annually by ballot choose a president, secretary, and such other officers as the by-laws direct. The president shall be chosen from the board of directors. The president and secretary shall annually be sworn. The president shall preside at all meetings of the stockholders and directors. In the absence of the president and vice-president, a president pro tempore may be chosen as the meeting determines. The secretary shall keep a record of the votes of the stockholders and of the directors ; a list of the stockholders, and number of shares standing in the name of each ; a record of all transfers of shares ; of all policies issued, and of all assignments and transfers thereof ; and such additional books as the president and directors require.

Special meetings, how called.
G. S. 58, § 29.

SECT. 53. Special meetings of the stockholders may be called by the directors when they think proper ; and they shall call such meetings on the written application of the owners of one-fifth part of the capital, or of twenty stockholders, setting forth the purposes of the meeting.

Capital stock, how and when paid in ; policies not to issue, until, etc.
G. S. 58, § 30.

SECT. 54. The capital stock, unless otherwise specially provided, shall be paid in cash within twelve months from the date of the charter or certificate of organization. No certificates of full shares, and no policies, shall be issued until the whole capital is paid in. A majority of the directors shall make oath that the money has been paid in by the stockholders towards payment of their respective shares and not for any other purpose, and that it is intended that the same shall remain as the capital of the company, to be invested as required by this chapter.

Capital, how to be invested and loaned ; liability

SECT. 55. The capital stock shall be invested in the stocks of the United States, or of this commonwealth, or of any city or town in this

commonwealth, or in the stock of any of the banks located in this commonwealth, or of any railroads of this commonwealth which are completed and paid for and the franchises of which are not pledged or mortgaged, or in bonds of railroad corporations in this commonwealth, or lent on mortgages of real estate therein, or on pledges of any of the stocks or bonds named in this section; but no insurance company shall own more than one-fourth of the capital of any one bank incorporated under the authority of this commonwealth, nor own or hold as collateral security more than one-fourth of the capital of any bank incorporated therein under the authority of the United States, nor invest in nor lend on the stocks and bonds, both included, of any one railroad company, more than one-tenth of its own capital, nor in the aggregate shall the investment in and loan on all railroad property exceed one-fifth of its capital. Not more than half of its capital shall be lent on mortgage of real estate, and not more than one-tenth of its actually existing capital shall be invested in one mortgage. If an investment or loan not authorized by this chapter is made, the directors making or authorizing the same shall be personally liable to the stockholders for any loss occasioned thereby; but no insurance company shall be compelled to change any investment that was legal when made.

of directors upon loans.
G. S. 58, § 31.
1864, 29.

SECT. 56. Such companies may insure vessels, freights, goods, money, effects, and money lent on bottomry or respondentia, against the perils of the sea and other perils usually insured against by marine insurance; and dwelling-houses and other buildings, merchandise, and other personal property, against loss by fire, according to their respective charters. But no stock company shall hold, on any one risk, a sum exceeding one-tenth of its capital and surplus existing after deducting all losses, claims, liabilities, and debts. All policies shall be signed by the president or vice-president and secretary; or in the absence of the president and vice-president by two directors, and in the absence of the secretary by a secretary pro tempore.

Risks to be taken.
Policies, how executed.
Limitation of risks.
G. S. 58, § 32.
1864, 113.

SECT. 57. If the capital is reduced by losses or otherwise, the amount thereafter to be taken on any one risk shall be correspondingly reduced to the limitation in the preceding section. If the directors allow more to be insured on any one risk, they shall be liable for a loss on any amount exceeding one-tenth of the existing capital. If a company is under liability for losses actually sustained equal to the capital, and the president and directors knowing it make insurance or assent thereto, they shall be personally liable for the loss, if any, under such insurance. If the charter permits the capital stock to be paid by instalments, and the capital is lessened by losses before all instalments are paid in, each stockholder shall be liable for the instalments unpaid on his shares at the time of such loss; and no dividend shall be made until the capital is restored to its original amount.

Risks to be reduced on reduction of capital.
Liability of president and directors; of stockholders.
G. S. 58, § 33.
10 Gray, 325.
12 Gray, 355.

SECT. 58. At each annual meeting the directors shall furnish to the stockholders a statement of the condition of the company, in making which they shall be required to charge the company, on account of premiums received, only such portions of the cash or notes received on unexpired policies as would be required to re-insure all outstanding risks.

Directors to make annual statement.
G. S. 58, § 34.

SECT. 59. When, after setting aside a sum equal to the premiums for the unexpired terms on existing risks, the cash assets of any such company do not amount to more than three-fourths of its original capital, it may make good its capital to the original amount by assessing the stock for the difference.

Stock may be assessed.
1863, 249, § 7.
1872, 325, § 1.
1875, 27, § 6.
11 Allen, 574.

SECT. 60. Shares on which such an assessment is not paid within sixty days after demand upon their owner shall be forfeitable, and

If assessment is not paid, shares forfeited.

1863, 249, § 8.
1872, 325, § 1.
11 Allen, 574.

If assessment
is not made,
injunction to be
applied for.
1863, 249, § 9.
1875, 27, § 6.
11 Allen, 574.

Capital stock
may be in-
creased. Duty
of insurance
commissioner.
1872, 375, §§ 13,
14.
1875, 27, § 5.

Company may
take marine
risks when capi-
tal is increased
to three hun-
dred thousand
dollars.
1873, 182, § 1.

Stockholders'
obligations, un-
less secured,
not capital.
1872, 325, § 3.

Fire, etc., com-
panies may
reduce stock
when capital is
impaired, etc.
1875, 27, § 1.

Reduction, how
made. Certifi-
cate to be pre-
sented to com-
missioner, and,
if approved, to
be filed, etc.
1875, 27, § 2.

Rights and li-
abilities. Char-
ter to be deemed
amended.
1875, 27, § 3.

New certificates

may be cancelled by a vote of the directors, and new shares may be issued to make up the deficiency.

SECT. 61. Any such company which does not, within three months after receiving notice from the insurance commissioner that its capital is legally subject to be made good as aforesaid, satisfy him that it has been fully restored to its original amount, with the reserve of premium aforesaid against existing risks, or decreased in accordance with the laws of this commonwealth, shall be proceeded against according to section fourteen.

SECT. 62. Any such company may, at a meeting called for the purpose, increase the amount of its capital stock and the number of shares therein, and, within thirty days after the payment or collection of the last instalment of such increase, shall present to the insurance commissioner a certificate setting forth the amount of such increase and the fact of such payment, signed and sworn to by its president, secretary, and a majority of its directors. The commissioner shall examine the certificate and ascertain the character of the investments of such increase, and, if the same conform to law, shall indorse his approval thereof; and such certificate shall then be filed with the secretary of the commonwealth, and thereupon the company may transact business upon the capital so increased, and the commissioner shall issue his certificate to that effect. A fee of five dollars shall be paid to the secretary for each certificate so filed.

SECT. 63. When any such company organized under general laws has increased its capital stock, in the manner provided by the preceding section, to the sum of three hundred thousand dollars or more, it may insure against loss or damage by tempest, or by the perils of the sea and other perils usually insured against by marine insurance companies, including risks of inland navigation and transportation; and the insurance commissioner shall issue his certificate to that effect.

SECT. 64. Stockholders' obligations of any description not secured as required by the provisions of section fifty-five shall constitute no part of the capital stock or assets of a stock insurance company doing business in this commonwealth.

SECT. 65. When the capital stock of a domestic fire, marine, or fire and marine insurance company is impaired, such company may reduce its capital stock and the number of shares thereof to such an amount as truly represents its assets and property; but no part of its assets and property shall be distributed to its stockholders, and its capital stock shall not be reduced below the minimum sum required by law.

SECT. 66. No such reduction shall be made, except upon a vote of a majority of the stockholders at a meeting legally called for that purpose; and within ten days after said meeting, a certificate, setting forth the proceedings thereof and the amount of such reduction, shall be signed and sworn to by its president, secretary, and a majority of its directors, and presented to the insurance commissioner, who shall examine the facts in the case, and, if the same conform to law, shall indorse his approval thereof; and the certificate so approved shall be filed with the secretary of the commonwealth.

SECT. 67. Upon filing the certificate provided in the preceding section, such company shall with such reduced capital possess the same rights and be subject to the same liabilities that it possessed or was subject to at time of such reduction, and its charter shall be deemed to be amended so as to conform to such reduction; and the insurance commissioner shall issue his certificate to that effect.

SECT. 68. Such company may, by a majority vote of its directors,

after such reduction, require the return of the original certificates of stock held by each stockholder, and may issue in lieu thereof new certificates for such number of shares as the said stockholders are entitled to, in the proportion that the reduced capital bears to its original capital.

SECT. 69. Any such fire, marine, or fire and marine insurance company may declare and pay to its stockholders cash dividends on its capital stock not exceeding ten per cent a year; and, if the dividends are less than ten per cent in any year, the difference may be made up in any subsequent year or years when the net profits and income are sufficient therefor; but no arrears in dividends shall be computed which accrued prior to the third day of April in the year eighteen hundred and seventy-five.

SECT. 70. Any such company may issue pro rata to its stockholders certificates of such portions of its actual surplus as it may from time to time determine, which shall be deemed to be an increase of its capital stock to the extent of such new certificates; but no dividend shall be made, either in cash or stock certificates, except from its actual surplus, computed in the manner required in making its annual report.

SECT. 71. When an increase of capital stock is so made, a certificate thereof shall be signed and sworn to by the president, secretary, and a majority of the directors, and forthwith presented to the insurance commissioner, who shall examine the facts in the case, and, if the same conform to law, shall indorse his approval thereof; and the certificate so approved shall be filed with the secretary of the commonwealth; and thereupon the company may transact business upon the capital so increased, and the commissioner shall issue his certificate to that effect. The fee for filing such certificate shall be five dollars.

SECT. 72. Any stock insurance company organized under general laws, except the companies mentioned in section sixty-nine, may declare cash dividends not exceeding in amount six per cent semi-annually on its capital stock; and may issue pro rata to its stockholders certificates of such portion of its profits and income as its directors may from time to time determine, not including therein any portion of the premium money of risks not terminated, and after providing for all expenses, losses, and liabilities then incurred; and its capital stock shall be increased by the amount of the certificates of stock so issued; and whenever an increase of capital is so made, a certificate thereof shall be filed with the insurance commissioner, who shall certify to the amount of the capital stock as so increased in like manner as is provided in case of the organization of stock insurance companies.

MUTUAL FIRE COMPANIES.

Guaranty Capital.

SECT. 73. A domestic mutual fire-insurance company with a guaranty capital may increase such capital within the limits authorized by this chapter, in the manner provided in section sixty-two.

SECT. 74. The holders of stock in any domestic mutual fire-insurance company with a guaranty capital shall be entitled to a net semi-annual dividend not exceeding three and one-half per cent on their respective shares, if the net profit, after providing for all expenses, losses, and liabilities then incurred, including a sum sufficient to re-insure all outstanding risks, is sufficient from time to time to pay the same; and if any such dividend is less than three and one-half per cent, it shall be made up when such net profit becomes sufficient therefor. Three-fourths of said net profit, after the payment of said dividends, shall be credited to and divided among the insured at the

of stock may be issued.
1875, 27, § 4.

Stock fire, etc., companies may pay ten per cent dividends, etc.
1878, 35, § 1.
121 Mass. 524.

may issue certificates of surplus, to be deemed increase of capital.
1878, 35, § 2.

When capital is so increased, certificate to be filed. Fee to be paid.
1878, 35, §§ 3, 4.

Cash dividends of other companies not to exceed six per cent semi-annually. Certificates of profits.
1872, 375, § 17.
1874, 222.
1875, 95.
1877, 36.
1878, 35.
121 Mass. 524.

Increase of guaranty capital.
1872, 375, § 13, last cl.

Dividends to holders of guaranty stock.
1872, 375, § 11, cl. 1.
1877, 175, § 1.
1879, 52, § 1.

expiration of their policies, and the remaining one-fourth shall be invested and be a reserve for the security of the insured; but when from time to time the reserve exceeds five per cent on the amount insured, the whole of said net profit in excess of said reserve shall, after the payment of said dividends, be divided among the insured at the expiration of their policies.

Guaranty capital, when to be applied to payment of losses. 1872, 375, § 11, cl. 2.

SECT. 75. The guaranty capital shall be applied to the payment of losses only when the other cash funds have been exhausted; and if the guaranty capital is at any time reduced, it shall be made good from the first accumulation of the reserve; or the directors may at their discretion make good the whole or any part of it by assessments upon the contingent funds in the possession of the company at the time of said reduction.

voting, etc., by holders of. 1872, 375, § 11, cl. 3. 1872, 375, § 19.

SECT. 76. Shareholders and policy-holders in any such company shall be subject to the same provisions of law in voting at all meetings of the company as apply respectively to shareholders in stock companies, and to policy-holders in purely mutual companies.

how acquired by companies specially chartered. 1872, 375, § 19.

SECT. 77. Any mutual fire-insurance company which was in existence on the eighteenth day of December in the year eighteen hundred and seventy-two, may, at a meeting called for that purpose, by a major vote of the policy-holders present and voting thereon, acquire such a guaranty capital; and within thirty days after the payment of the last instalment of the subscription thereto shall present to the insurance commissioner a certificate, setting forth the fact of such vote and of such payment, signed and sworn to by its president, secretary, and a majority of its directors. The commissioner shall examine the certificate, and ascertain the character of the investments of said capital, and, if the same conform to law, shall indorse his approval thereof, and the certificate so approved shall be filed with the secretary of the commonwealth, and thereupon such company shall transact business as a mutual fire-insurance company with a guaranty capital, and the commissioner shall issue his certificate to that effect.

Meetings, Officers, etc.

Notice of annual meeting. 1870, 349, § 7.

SECT. 78. All members of domestic mutual fire-insurance companies shall be notified of the time and place of holding their annual meetings by a written notice or by an imprint upon the back of each policy, receipt, or certificate of renewal, in the following form: to wit, "By virtue of this policy the assured is hereby notified that he is a member of the Insurance Company, and that the annual meetings of said company are holden at its home office on the day of in each year, at o'clock, ." The blanks shall be duly filled in print, and the same shall be deemed a sufficient notice.

Seven or more directors to be chosen annually. Who eligible. 1862, 181, § 5. 1872, 230, § 1, cl. 1. 1879, 58, § 1. 8 Allen, 217. 9 Allen, 319. 11 Allen, 574.

SECT. 79. Every such company shall annually elect by ballot not less than seven directors, who shall manage and conduct its business. After the first election, members only shall be eligible; but no director shall cease to be such, during the year for which he was elected, on account of the cancelling of any policy held by him. They shall be citizens of this commonwealth, except that a company insuring only manufacturing property and buildings and stock appurtenant thereto may annually elect not exceeding one-fourth part in number of its board of directors from members residing out of this commonwealth.

Members; votes; proxies. 1872, 230, § 1, cls. 2, 3. 8 Allen, 217.

SECT. 80. Every person insured by the company shall be a member, and shall be allowed one vote for each policy held by him. Members may vote by proxies dated and executed within six months, and returned and recorded on the books of the company at least three days before the meeting at which the same are used; but no person shall be allowed by proxy or otherwise to cast more than twenty

votes, and no paid officer or agent shall ask for, receive, procure to be obtained, or use a proxy vote. An officer or agent who violates the provisions of this section shall be punished by fine of not less than one hundred nor more than three hundred dollars.

SECT. 81. The directors shall annually choose by ballot one of their number as president, and a secretary, and treasurer, who shall annually be sworn, and a record of the oath shall be entered upon the books of the company. The secretary shall keep true records of the meetings of the corporation and of the directors, and of all votes passed by them; and shall record all policies issued, and all assignments or transfers of the same, when properly assented to, which record shall be open to the inspection of any person interested therein.

President, secretary, and treasurer elected and sworn. Secretary to keep record. G. S. 58, § 44.

SECT. 82. Not less than five directors shall constitute a quorum, and all questions shall be decided by a majority of those present. Vacancies in any office may be filled by the directors until the next annual election, or by a new election at a meeting called for that purpose. Special meetings of the members may be called when ordered by the directors, and they shall call such meetings when requested in writing so to do by any twenty members.

Quorum of directors. Vacancies. Special meetings. G. S. 58, § 45.

SECT. 83. One-half of the directors of every such company with a guaranty capital shall be chosen from the holders of the guaranty stock, and the other half from the members of the mutual department. The secretary shall keep a true list of stockholders of the guaranty capital, and of the number of shares held by each, and a record of the transfer of shares. Special meetings may be called by the directors when they think proper, and shall be so called upon the written application of the owners of one-fifth of the guaranty stock, or of twenty members of the mutual department, setting forth the purposes of the meeting.

Choice of directors. List of holders of guaranty capital. Special meetings. G. S. 58, § 46.

SECT. 84. The directors of every corporation which becomes a member of a mutual insurance company may authorize one or more of the stockholders of such corporation to represent the same in all meetings of such company; and such representatives shall vote and be eligible to the office of director therein.

Corporations may be represented in mutual companies. G. S. 58, § 47.

SECT. 85. A person holding property in trust may effect insurance on such property in any mutual fire-insurance company incorporated or organized in this commonwealth, and for that purpose may as such trustee assume the liabilities which other persons on becoming members of such companies assume. He shall not be liable in his individual capacity upon such contract of insurance.

Trustees may insure in mutual companies. G. S. 58, § 59. 1862, 181, § 4. 9 Allen, 319. 11 Allen, 574.

Limit of Risks.

SECT. 86. No policy shall be issued by a mutual fire-insurance company specially chartered subsequently to the twenty-seventh day of March in the year eighteen hundred and fifty-eight until two hundred and fifty thousand dollars have been subscribed to be insured and entered on its books. The policies issued and the deposit notes given for said insurance, which notes shall not exceed double the amount paid as cash premium, shall be of the same date.

In companies specially chartered, two hundred and fifty thousand dollars to be subscribed before policy to issue. G. S. 58, § 58.

SECT. 87. No mutual fire-insurance company shall contract for insurance on any one risk for a greater amount than it intends to retain, nor with the intention of re-insuring any part thereof.

Mutual company not to insure with intention of re-insuring, etc. G. S. 58, § 55.

1872, 375, §§ 11, 19. 18 Pick, 523. 4 Met. 206. 10 Met. 211. 12 Gray, 114.

SECT. 88. Any such company may issue policies on any property included in the terms of its charter or certificate of organization, situated in the New England states, New York, New Jersey, and Pennsylvania. Those insuring only manufacturing property, and

Location of risks. 1872, 375, § 11. 1875, 59, § 1. 1877, 198, § 6.

those having a guaranty capital, may insure property located in any part of the United States.

Mutual Companies Insuring on Stock Plan.

Policies in chartered mutual, and stock and mutual companies. Guaranty capital. Business to be kept separate. G. S. 55, § 56.

SECT. 89. No mutual fire-insurance company, except as provided in the four following sections, shall issue policies on any other than the mutual plan, excepting companies chartered as stock and mutual companies; and such combined companies, if doing business in Boston either directly or through agencies, before issuing policies or transacting any business in the stock department, shall have a guaranty capital of at least one hundred thousand dollars paid in and invested as required by section fifty-five, exclusive of stockholders' notes, (unless such notes are secured by mortgage or by pledges of stock or bonds, as provided in section fifty-five,) and of all debts due from the company, and such proportion of all premiums received in cash for risks not terminated as would be requisite to re-insure the same. If doing business in any other city or town, at least fifty thousand dollars shall be paid in and invested in like manner, and be subject to like conditions and restrictions. All business and investments on account of the stock department of such companies shall be separately kept, and the returns to the insurance commissioner respecting the same shall be according to the form required from stock companies. The business done on the mutual plan shall also be kept separate, and returns made according to the form required from mutual companies. Such companies shall not take on any one risk in their stock department a sum exceeding one-tenth of their capital stock; and when the capital stock is reduced in any way, the amount thereafter to be taken on any one risk shall forthwith be correspondingly reduced to the limitation in section fifty-six, until the capital is restored to its original amount.

Certain mutual fire companies may issue policies on joint stock plan. Such policies not liable, etc. 1878, 141, § 1.

SECT. 90. Any domestic mutual fire-insurance company with a guaranty capital of not less than two hundred thousand dollars, which accepts this and the three following sections or has accepted the corresponding provisions of earlier statutes, by a majority of its members present and voting thereon at a meeting legally called for the purpose, may, subject to the provisions of said sections, issue policies on the stock plan. Such policies shall not be liable to assessment, nor entitled to participate in profits, and persons insured by such policies shall not by reason thereof be members of the company.

Separate accounts to be kept of the stock and mutual departments. General expenses. Mutual policy-holders not entitled, etc. 1878, 141, § 2.

SECT. 91. Separate accounts shall be kept of the business of the stock and mutual departments, and of the receipts and expenditures in each. The general expenses of the company, including therein the annual cost of the guaranty capital, which cost shall be deemed to be the difference between the net amount earned by the capital and the dividends upon it authorized by law, shall be apportioned between the two departments in the ratio of the premiums written in each. The mutual policy-holders shall not be entitled to participate in the profits of the stock department, nor shall they be liable to assessment to repair any deficiency in the guaranty capital arising from losses in said department; but such deficiency shall be made good from the reserve fund of said department, and, if said fund is not sufficient therefor, by the shareholders in the guaranty capital in the manner provided by sections fifty-nine and sixty.

Reserve fund. Certain net profits to be divided among shareholders. 1878, 141, § 3.

SECT. 92. One-fourth of the net profits of the stock department, after providing for all expenses, losses, and liabilities, including the amount of unearned premiums upon all outstanding risks in said department, shall be invested as a reserve fund for the security of the insured, and for making good the guaranty capital as aforesaid, until

such fund is equal to fifty per cent of the guaranty capital. The remaining net profits of said department may be divided among the shareholders; but the whole amount of such dividends shall not exceed ten per cent a year, and, if less than ten per cent in any year, the same may be made up when the net profits and income become sufficient therefor.

SECT. 93. If a company duly accepts this and the three preceding sections, its officers shall forthwith notify the insurance commissioner, who shall examine the records of the company, and, if the same conform to law, upon payment of a fee of ten dollars, shall issue his certificate to that effect; and thereupon the company may issue policies upon the stock plan. Every policy issued by a company which has adopted the provisions of said sections shall state to which class or department it belongs, and also that the company transacts both a mutual and stock business.

Insurance commissioner to be notified of the acceptance of sections; to issue certificate; fee. Policies to state what.
1878, 141, § 4.

SECT. 94. Any mutual fire-insurance company authorized to issue policies on the stock plan, which cancels all outstanding policies issued by its stock department, and, at a meeting called for the purpose, votes to discontinue its stock department and to redeem its guaranty capital stock, may redeem and cancel the same in such manner and upon such terms and conditions as the supreme judicial court, upon an application in equity made by the company, and after such notice of the application to all parties in interest as the court shall order, and a hearing, determines and adjudges to be just and equitable.

Redemption of guaranty capital stock.
1881, 269.

Classification of Risks, Reserve Fund, and Participation of Members in Profits and Losses.

SECT. 95. The directors of mutual fire-insurance companies may divide the property insured into not exceeding four classes. The policy shall designate the class, and in such case any assessments shall be made upon premiums and deposits belonging to the class in which the loss occurs; but no policy shall be issued in a separate class until five hundred thousand dollars are subscribed to be insured in that class on one date and entered on the books of the company. The expenses of the company not strictly applicable to either class shall be apportioned to each class according to the amount of premiums paid by that class for the same period; and in divisions of the funds and returns of premiums and deposits, each member shall be entitled to receive his proportion of the profits belonging to the class in which he was insured. No money belonging to one class, received either as premium or assessment in said class, shall be used to pay losses, expenses, or other liability of any other class.

Directors may classify property insured. Classes to be observed in policies; expenses, assessments, and dividends.
G. S. 58, § 53.
103 Mass. 533.

SECT. 96. Any such company having no guaranty capital may, at a meeting called for such purpose, provide for the accumulation of a permanent fund, by reserving a portion of the net profits to be invested, and be a reserve for the security of the insured. Such reservation shall not exceed twenty per cent of said net profit; and when the fund so accumulated amounts to one per cent of the sum insured by all policies in force, the whole of the net profits shall be divided among the insured at the expiration of their policies. The permanent fund so accumulated shall be used for the payment of losses and expenses, whenever the cash funds of the company in excess of an amount equal to its liabilities are exhausted; and whenever the said fund is drawn upon, the reservation of profits as aforesaid shall be renewed or continued until the limit of accumulation as herein provided is reached.

Accumulation of permanent fund; not to exceed, etc.; when to be used.
1877, 198, §§ 3, 5.

SECT. 97. Subject to the provisions of the preceding sections, every member of any mutual fire-insurance company shall at the expi-

Members to share profits or losses.

Amount of liability to be stated on back of policy.

G. S. 58, § 51.
1863, 249, § 6.
1876, 120, § 3.
9 Allen, 29.
11 Allen, 574.
103 Mass. 553.

ration of his policy have a share in the profits of the company during the time his policy was in force, in proportion to the sums by him paid on account of said policy according to the contract or policy, after all expenses, liabilities, (including a sum sufficient to re-insure all outstanding risks,) and losses then incurred have been deducted. And he shall in like manner be subject to pay any assessments which may be laid by such company for the payment of losses and expenses in accordance with its charter and the laws regulating such companies. The total amount of the liability of the policy-holder to assessment shall be plainly and legibly stated on the back of every policy of insurance issued by a mutual fire-insurance company.

Assessments.

Assessments, when and how to be laid.

G. S. 58, § 48, cl. 1.
1877, 198.
3 Gray, 208, 210.
7 Allen, 235.
8 Allen, 27.
9 Allen, 319, 483.
103 Mass. 551.
112 Mass. 116.
142, 150, 192.

SECT. 98. When the just claims against a mutual fire-insurance company exceed its funds, its directors shall assess such sums as may be necessary upon the members, in proportion to their premium and deposit or deposit notes, as the case may be, no member being liable to pay in addition to his premium and deposit more than a sum equal thereto, nor more than the amount of his deposit note, if he has given such note; and in case of classification of risks, said assessment shall be made upon such premium and deposit or such deposit notes as were given upon hazards associated with the property upon which losses have occurred.

Record and statement to be made and recorded.

To be open to inspection.
G. S. 58, § 54, cl. 1.
8 Allen, 27.
10 Allen, 110.
11 Allen, 574.

SECT. 99. Every such company, upon making an assessment, shall keep a record of the vote passed by its directors for making the same, with a statement of the condition of the company at the time such assessment is made. When an assessment is ordered, the whole amount to be raised and the particular losses or other liabilities of which it consists shall be stated. The statement shall separately show the amount of cash on hand, of deposit notes, and of liabilities subject to such assessment, and shall be recorded in a book kept for that purpose, and signed by the directors voting for such assessment. A company dividing its risks and insuring in separate classes shall make such statement for each class in which an assessment is ordered. Any member of the company may inspect such statement, and take a copy of the same; and a person who is liable to assessment shall be considered a member. No assessment shall be collected until such statement and record are made.

Directors may make two assessments, one compulsory, the other optional. Unless latter paid, policy to be cancelled.
1833, 249, § 4, pt. 1.
11 Allen, 574.

SECT. 100. When the directors of any such company find that its funds, other than premium notes, are not equal to the cash premium on the unexpired term of its existing risks, and that it is in danger of becoming insolvent, instead of the assessment or call hereinbefore provided, they may make two assessments, the first determining what each policy-holder must equitably pay or receive in case of withdrawal from the company and having his policy cancelled, the second what further sum each must pay in order to re-insure the unexpired term of his policy at the same rate as the whole was insured at first. Each policy-holder shall pay or receive according to the first assessment, and his policy shall then be cancelled, unless he pays the further sum determined by the second assessment, in which case his policy shall continue in force; but in neither case shall a policy-holder receive or have credited to him more than he would have received on having his policy cancelled by vote of the directors, under the by-laws.

The supreme judicial court may examine such assessments, or order one to be made. Where and by whom applica-

SECT. 101. When the directors make an assessment or call on the members for money, or vote that there exists a necessity for such assessment or call, they or any person interested in the company as an officer, policy-holder, or creditor may apply to the supreme judicial court for any county, by a petition in the nature of a bill in equity,

praying the court to examine said assessment or call, the necessity therefor, and all matters connected therewith, and to ratify, amend, or annul the assessment or call, or to order that the same be made as law and justice may require; but application when made by any party except the corporation, or a receiver, or the insurance commissioner, shall rest in the discretion of the court. When the directors unreasonably neglect to make an assessment or call to satisfy an admitted or ascertained claim upon the company, any judgment creditor, or any person holding such claim, or the insurance commissioner, may make the application to the court. Upon such application, if made by the directors, or upon an order of the court, if made by any other party, the directors shall set forth the claims against the company, its assets, and all other facts and particulars appertaining to the matter.

SECT. 102. The court before which such petition is filed shall order notice to be given by publication or otherwise to all parties interested, and upon the return thereof shall proceed to examine the assessment or call, or the necessity therefor, and all matters connected therewith. Any parties interested may appear and be heard thereon. All questions that arise shall be heard and determined as in other equity cases.

SECT. 103. The application shall be referred to an auditor, who shall appoint a time and place to hear all parties interested, and shall give personal notice thereof in writing to the insurance commissioner, and through the post-office, so far as he is able, to all persons liable upon said assessment or call. The auditor shall hear the parties, and report upon the correctness of the assessment or call, and all matters connected therewith. The court may ratify, amend, or annul the assessment or call, or order one to be made; and may make such orders and decrees in the premises as under all the circumstances justice and equity require. If the assessment or call is altered or amended, or one is ordered to be made, the directors shall forthwith proceed to vote the same in legal form, and the record of such vote shall be set forth in a supplemental bill or answer.

SECT. 104. When an assessment or call has been so ratified, ascertained, or established, a decree shall be entered which shall be final and conclusive upon the company and all parties liable to the assessment or call, as to the necessity of the same, the authority of the company to make or collect the same, the amount thereof, and all formalities connected therewith. An assessment or call altered or amended by vote of directors and decree of the court thereon shall be binding upon all parties who would have been liable under it as originally made, and in all legal proceedings shall be held to be such original assessment or call. All such proceedings shall be at the cost of the company, unless the court for cause otherwise orders; and in all cases the court may control the disposition of the funds collected under such proceedings.

SECT. 105. If it appears to the court before which such application is pending that the net proceeds of any assessment or call will not be sufficient to furnish substantial relief to those having claims against the company, the judge may decree that no assessment shall be collected; and when, upon the application of the insurance commissioner, or a member of the company, or of any person interested, the judge is of opinion that further attempts to collect an assessment then partially collected will not benefit those having claims against the company, he may stay the further collection of said assessment.

SECT. 106. If, within two months after the assessments provided for in section one hundred have become collectible, the amount of the policies whose holders have settled for both assessments does not equal the amount required by the charter of the company or by law for the

tion may be made.
1862, 181, § 1.
1863, 249, § 5.
1872, 379.
9 Allen, 319.
11 Allen, 574.

3 Gray, 210.

Directors to file statement.

Notice and proceedings on the petition.
1862, 181, § 2, cl. 1.
1872, 379.
9 Allen, 319.
11 Allen, 574.

Auditor to be appointed.
to notify and hear all parties, and report.
1862, 181, § 2.
1863, 249, §§ 3, 5.
9 Allen, 319.
11 Allen, 574.

Decree to be entered by the court.
Effect of.
Costs.
1862, 181, § 3.
9 Allen, 319.
11 Allen, 574.

Court may prohibit or stay collection of the assessments.
1863, 249, § 3, pt. 2.
1861, 161, § 1.
11 Allen, 574.

If assessments are not paid, etc., company to wind up its affairs.
1863, 249, § 4, last cl.

11 Allen, 574.

Limitation of
assessment.
G. S. 58, § 54,
last cl.

Guaranty
against assess-
ment.
Penalty.
1830, 149.

If unable to pay
losses without
borrowing,
directors liable
for debts unless
they lay assess-
ments within six
months of loss.
1868, 317, § 2.

Liability of
directors for
neglect to satisfy
judgment or
assess therefor.
G. S. 58, § 48.
103 Mass. 551.

Remedy of
creditor;
of directors for
contribution,
etc.
G. S. 58, § 50.
1877, 198, § 1.
106 Mass. 344.

Liability of
treasurer.
G. S. 58, § 49.

Certain compa-
nies may take
deposit notes
for as many
times cash
premium as by-
laws provide.
1877, 198, §§ 1, 5.

commencement of business, which amount shall in no case be less than two hundred and fifty thousand dollars, the company shall cease to issue policies; and all policies whose holders have not settled for both assessments shall then be void, and the company shall continue only for the purpose of adjusting the deficiency or excess of premiums among the members, and settling outstanding claims.

SECT. 107. No assessment shall be valid against a person who has not been duly notified thereof in writing within two years after the expiration or cancellation of his policy. 1865, 10.

SECT. 108. An officer or director of any such company, who either officially or privately gives a guaranty to a policy-holder thereof against an assessment to which he would otherwise be liable, shall be punished by fine not exceeding one hundred dollars for each offence.

SECT. 109. If any such company is owing for money borrowed to pay losses or expenses, or is owing for losses or expenses which it cannot pay otherwise than by borrowing money, and the directors neglect or omit, for the space of six months after such losses or expenses become due and payable, to lay and collect with all practicable diligence an assessment which, with other cash funds on hand, if any, is sufficient to discharge all the existing indebtedness of the company, they shall be personally liable for all debts and claims then outstanding against it, and for all thereafter accruing, until an assessment is laid and put in process of collection.

SECT. 110. When sufficient property of any such company cannot be found to satisfy an execution issued against it, and it has property belonging to the period assessed, the proceeds of which can be applied to satisfy such execution, if the directors neglect to pay the same, or neglect for thirty days after the rendition of judgment to make an assessment and deliver the same to the treasurer for collection, or to apply such assessment when collected to the payment of the execution, they shall be personally liable for the amount of the execution.

SECT. 111. When the directors of any such company are liable to pay an execution against it, the creditor may recover the same by a suit in equity or by an action at law against the directors. A director who pays an execution against the company for which he is personally liable may have a suit at law with equitable remedies for contribution against any of the directors for their proportion, and also a suit at law with equitable remedies against the company or the individual members thereof who are liable therefor for money so paid for them; but no member shall be liable to pay in addition to his premium and deposit more than a sum equal thereto, nor more than the amount of his deposit note, if he has given such note.

SECT. 112. If the treasurer unreasonably neglects to collect an assessment made by order of the directors and to apply the same to the payment of the claims for which it was made, he shall be liable in his private capacity to the party having such claims for the amount of the assessment; and he may repay himself out of any money afterwards received for the company on account of said assessment.

Deposit Notes.

SECT. 113. Any mutual fire-insurance company, except companies with a guaranty capital, may take deposit notes for as many times the cash premium upon its policies as its by-laws may provide; but such notes shall not, except as provided in section eighty-six and the following section, be less in amount than three times nor more than ten times the said cash premium. Such notes shall contain a stipulation that the same are to be paid at such times and in such sums as the

directors may order or assess, pursuant to the by-laws, and shall constitute the entire liability of the insured as a member of the company.

SECT. 114. When the cash assets of any such company exceed the liabilities, including therein unearned premiums, by fifty thousand dollars, deposit notes may be received for a sum equal to twice the cash premium; and when the cash assets exceed the liabilities as aforesaid by one hundred thousand dollars, deposit notes may be received of the same amount as the cash premium. When any reduction is made in the deposit notes to be received, all outstanding notes in the possession of the company shall be reduced in the same ratio, and the liability of the makers thereof shall be correspondingly diminished.

SECT. 115. A mutual fire-insurance company incorporated by special act, which before the first day of July in the year eighteen hundred and seventy-seven conducted its business upon the plan of taking deposit notes for a percentage of the amount insured by its policies and making a call or assessment upon said notes for the payment of losses and expenses as the same are incurred, may continue such system of business, and the note of the party insured shall constitute his entire liability as a member of the company.

What deposit notes may be received when cash assets exceed liabilities fifty thousand dollars and one hundred thousand dollars. Reduction in deposit notes. 1877, 198, §§ 2, 5.

Certain companies may continue to take deposit notes for percentage of sum insured. 1877, 198, § 4.

MUTUAL MARINE AND MUTUAL FIRE AND MARINE COMPANIES.

SECT. 116. Domestic mutual marine and mutual fire and marine insurance companies shall be subject to the provisions of sections seventy-nine to eighty-two inclusive, and shall before commencing business have an agreement substantially as follows: viz.,—

“The subscribers, members of the Insurance Company, severally agree to pay said company on demand the sums set against our names, or such part thereof as may be called in for the use of the company, in money or promissory notes.”

Officers. Special meetings. G. S. 58, § 35.

Form of subscription.

SECT. 117. Policies of insurance may be issued by any such company created by special act when two hundred thousand dollars, if the company is in Boston, or one hundred thousand dollars, if the company is in any other city or town, have been subscribed and paid in cash or notes payable on time not exceeding twelve months; but at least one-half of the amount so required to be subscribed must be paid in cash. No policies shall be issued by any such company created either by special act or under general laws until the president and a majority of the directors have certified that the subscribers are known to them, and that they believe them to be solvent and able to pay their subscriptions, and a copy of the certificate has been deposited with the insurance commissioner and approved by him. Subsequent subscriptions shall be made and certified in like manner; and a like copy shall annually, on or before the first day of November, be filed with the commissioner. The provisions of law relating to the capital of stock insurance companies shall be applicable to the cash capital of such companies.

When policies may issue. Certificate to be made and filed annually. G. S. 58, § 35. 1868, 317, § 3.

SECT. 118. The subscriptions provided for in the two preceding sections shall constitute a permanent fund, to be used when necessary for payment of the losses and expenses of the company; but shall not be applied to pay the premiums for insurance effected by the subscribers. The subscription notes as they mature shall be paid in or other notes substituted therefor, so that the amount of the original fund shall not be reduced.

Subscriptions, how held and used. Notes to be paid or renewed. G. S. 58, § 37.

SECT. 119. If a subscriber fails to pay his subscription, and it is proved that the president or a director knowingly certified falsely in regard to such subscriber, the person certifying shall be liable to the company for such sum as the subscriber fails to pay.

Penalty for false certificate. G. S. 58, § 37.

SECT. 120. The subscription notes or any pro rata portion thereof

Notes, how

cancelled.
Investment.
G. S. 58, § 37.

may be cancelled whenever the net profits of the business are sufficient to replace the same; and such profits shall then be invested as prescribed in section fifty-five, thereafter to be held as the permanent fund in place of said notes. All payments made on subscription notes and all cash funds not required for the current uses of the company shall be invested in the same manner.

Who are
members.
G. S. 58, § 36.

SECT. 121. Each subscriber during the term of his subscription, and each person insured, shall be a member of any such company created by special act; but persons insured shall not remain members after the termination of the risk, and the payment of the loss, if any, thereon.

Limitation of
risks.
G. S. 58, § 38.

SECT. 122. No company shall hold on one risk more than ten per cent of its subscriptions, unpledged invested funds, and premium notes on risks absolutely terminated, after deducting therefrom all losses and claims for losses, cash received for risks not terminated, and debts. Whenever by means of open policies or indorsements thereon more than ten per cent is so at risk, the directors shall as soon as may be obtain re-insurance for the amount of such excess.

Re-insurance.

Liability of
officers for over-
insurance.
G. S. 58, § 38.
10 Gray, 325.
12 Gray, 355.

SECT. 123. If a company is at any time liable for losses beyond the amount of its cash fund, legal investments, premium notes received from risks terminated, and subscription notes, the president and directors, knowing the condition of the company, shall be personally liable for all losses occurring on insurance effected during such state of the company.

Monthly
statement.
G. S. 58, § 39.

SECT. 124. The directors shall require the president to make a monthly statement to them of the assets and liabilities of the company; which statement shall be entered upon their records, or in a book kept for that purpose.

Annual divi-
dend statement.
Net profits to
be divided at a
certain per cent
on premiums
and subscrip-
tions, and scrip
to issue.
G. S. 58, § 40.

SECT. 125. Every such company created by special act, which has been in operation not less than twelve months, shall cause an annual dividend statement to be made up in each year, containing a fair estimate of its net profits not before divided, taking into view the probable amount to be paid on all claims, outstanding risks, and demands against the company, and including expenses, interest, and allowances for previous deficiencies. After ascertaining in this mode the net profits of the year on the risks terminated, the directors may declare a dividend of such profits of a certain per cent on the premiums received for such terminated risks and the subscriptions made to the permanent fund in that year, and may issue certificates representing said dividend to the persons in whose names the policies of insurance and subscriptions for the year in conformity to the provisions of sections one hundred and sixteen and one hundred and seventeen were originally made, or to their legal representatives.

Scrip, how
transferable.
Terms of.
G. S. 58, § 40.

SECT. 126. Such certificates shall be transferable only on the books of the company, under regulations to be prescribed by the by-laws, and shall contain a provision declaring them to be subject to future losses and expenses of the company until they are redeemed as hereinafter provided, and subject to be reduced by the directors in case of losses and expenses in any subsequent year exceeding the estimated profits of such year. But such original certificate need not be issued for a less sum than ten dollars. All such sums may be passed to the contingent accounts of the company.

Interest on
scrip.
Redemption
thereof.
G. S. 58, § 41.

SECT. 127. The company may pay on such certificates, from the accrued income of its invested funds, interest not exceeding six per cent per annum; and when its net profits exceed two hundred and fifty thousand dollars, the excess may be applied from year to year thereafter to the redemption of the certificates of the previous years in such manner as the directors determine; but no certificates of any year shall be redeemed while certificates of previous years remain

unredeemed. When the accumulations of net profits exceed five hundred thousand dollars, such excess shall be so applied.

SECT. 128. When a person entitled to a certificate of profits is indebted to the company for any sum past due, it may withhold the certificate and deduct such sum from the amount thereof, and reduce or cancel the same; but persons holding policies or entitled to certificates shall not be answerable by reason thereof, or for any thing contained therein, except for the payment of their premium or other notes in advance for premiums.

Debts overdue may be deducted from scrip. Policy-holders not liable, etc. G. S. 58, § 42.

SECT. 129. The holders of shares in the permanent fund in such companies organized under the general laws shall be the members of the company, and subject to the same provisions of law in voting at all meetings of such corporations as apply to shareholders in stock companies.

The shareholders in companies formed under general laws to be the members. 1872, 375, § 12.

SECT. 130. Such holders of shares shall be entitled to a semi-annual dividend of not exceeding six per cent, and the makers of the promissory notes constituting any part of such fund shall be entitled to a semi-annual dividend not exceeding two and one-half per cent of the amount of such notes, if the net profits and income of the company, after providing for all expenses, losses, and liabilities then existing, including a sum sufficient to re-insure all outstanding risks, are sufficient to pay the same; and if any dividends are less than those amounts respectively, the same shall be made up when such net profits and income become sufficient therefor. The directors may declare each year a dividend of the remainder of such net profits and income on the premiums received on risks terminated during the year, and issue certificates therefor, as provided in section one hundred and twenty-five; but no such certificates shall be redeemed until the accumulation of net profits exceeds five hundred thousand dollars, and no certificate shall be redeemed until the directors so determine.

Semi-annual dividends to shareholders, and makers of notes. Annual dividend on premiums. 1872, 375, § 12.

SECT. 131. Any such company having a permanent fund exceeding five hundred thousand dollars, and made up in part of cash paid in and in part of promissory notes, may, when the cash paid in and invested according to law amounts to five hundred thousand dollars or upwards, reduce such permanent fund to the amount of cash paid in, by a vote of a majority of the directors of such company present and voting at a meeting called for the purpose.

Such companies may reduce permanent fund to five hundred thousand dollars. 1878, 50, § 1.

SECT. 132. When a company so reduces its permanent fund, a copy of the vote of the directors providing for such reduction, approved by the insurance commissioner, shall be filed with the secretary of the commonwealth, who, upon payment of a fee of five dollars, shall issue to such company a certificate setting forth the reduction of said permanent fund, and the amount of the permanent fund existing after such reduction; and thereupon all promissory notes held by such company as part of said fund shall be surrendered to the makers thereof or their legal representatives.

A copy of vote to be filed with the secretary of commonwealth, who shall issue certificate of reduction. 1878, 50, §§ 2, 3.

GENERAL PROVISIONS REGULATING FIRE-INSURANCE.

SECT. 133. The fire-insurance districts established under the provisions of section eighteen of chapter three hundred and seventy-five of the statutes of the year eighteen hundred and seventy-two shall remain such districts; and no company shall take or have at risk in any city, town, or fire-insurance district, on property other than dwelling-houses, farm buildings, and their contents, an amount exceeding its net assets available for the payment of losses in Massachusetts; and in computing the assets of such company insuring upon the mutual plan, its premium notes shall be included. For every policy issued in

Fire-insurance districts to remain. No company to have at risk in a city, town, or district an amount exceeding its net assets, except on dwelling-houses, etc. Penalty. 1872, 375, § 18.

violation of the provisions of this section by a domestic company, its president and secretary shall, severally, forfeit fifty dollars. Any agent of a foreign company authorized to transact business in this commonwealth shall forfeit fifty dollars for each policy issued in violation of the provisions of this section, and, upon a second conviction, his certificate of agency or license shall be revoked by the insurance commissioner.

Company to cancel policy or return premium unearned, if assets reduced, etc.
1872, 375, § 18, pt. 3.

SECT. 134. When from any cause such net assets of any company are reduced to a sum less than the amount held at risk in any town or fire-insurance district, such company shall forthwith either cancel and return to the holder the unearned portion of the premium upon policies upon property in such territory, to an amount equal to the difference between the net assets and the amount so held at risk, or effect re-insurance upon such property for a like sum; but no such cancellation shall take place except after notice to the holder of the policy.

to return statement of amount at risk in each town and district.
1872, 375, § 18, pt. 4.

SECT. 135. Every company shall annually, on or before the fifteenth day of January, return to the insurance commissioner a sworn statement of the amount taken or held at risk in each town or fire-insurance district on the thirty-first day of December next preceding. The commissioner may, whenever he deems expedient, require of any company such a statement, or a statement as to any specified places, or such other information, and may adopt such rules and regulations, as he may deem proper and necessary to procure trustworthy information upon this subject.

Companies not to insure in excess of value of property.
1878, 132, § 1.

SECT. 136. No insurance company shall knowingly issue any fire-insurance policy upon property within this commonwealth for an amount which together with any existing insurance thereon exceeds the fair value of the property.

Payment of mortgages protected by policies; and in what order.
1878, 132, § 2.

SECT. 137. In case of loss upon any property in this commonwealth insured after the first day of September in the year eighteen hundred and seventy-eight, within the terms of the fire-insurance policies thereon, all insurers thereof upon the proper presentation of proofs by the claimants in accordance with the provisions of the policies, together with an authentic statement of the title showing the rights and interests of all parties therein, shall pay all mortgagees expressly protected by any policies taken out in the name of the mortgagor, in the order of their priority, to the extent of their respective policies or interests in their respective mortgage claims, before the owner of the equity of redemption in said property shall receive any thing; but the provisions of this section shall not enlarge the amount which an insurance company would otherwise pay on account of a loss, and a payment so made by any such company under its policy in accordance with the provisions of this section, whether to the person named in the policy or not, shall be deemed and taken to be in payment and satisfaction of the liability of such company under its policy to the full extent of such payment.

Applications and by-laws not warranties, unless, etc.
1864, 196, § 1.
1881, 166.
7 Allen, 42, 45, 132.

SECT. 138. In all insurance against loss by fire, the conditions of insurance shall be stated in full, in accordance with the following section, and neither the application of the insured nor the by-laws of the company shall be considered as a warranty or a part of the contract, except so far as they are incorporated in full into the policy.

98 Mass. 420, 425.

105 Mass. 301, 396.

Form of standard policy and variations allowed.
1881, 166, § 1.

SECT. 139. No fire-insurance company shall issue fire-insurance policies on property in this commonwealth, other than those of the standard form herein set forth, except as follows: to wit, —

First, A company may print on or in its policies its name, location, and date of incorporation, the amount of its paid-up capital stock, the names of its officers and agents, the number and date of

the policy, and, if it be issued through an agent, the words "This policy shall not be valid until countersigned by the duly authorized agent of the company at ."

Second, A company may print or use in its policies printed forms of description and specification of the property insured.

Third, A company insuring against damage by lightning may print, in the clause enumerating the perils insured against, the additional words, "Also any damage by lightning, whether fire ensues or not," and, in the clause providing for an apportionment of loss in case of other insurance, the words, "whether by fire, lightning, or both."

Fourth, A company incorporated or formed in this commonwealth may print in its policies any provisions which it is authorized or required by law to insert therein ; and any company not incorporated or formed in this commonwealth may, with the approval of the insurance commissioner, so print any provision required by its charter or deed of settlement or by the laws of its own state or country, not contrary to the laws of this commonwealth : *provided*, that the insurance commissioner shall require any provision which, in his opinion, modifies the contract of insurance in such way as to affect the question of loss, to be appended to the policy by a slip or rider as hereinafter provided.

Fifth, The blanks in said standard form may be filled in print or writing.

Sixth, A company may print upon policies issued in compliance with the preceding provisions of this section the words, "Massachusetts Standard Policy."

Seventh, A company may write upon the margin or across the face of a policy, or write, or print in type not smaller than long primer, upon separate slips or riders to be attached thereto, provisions adding to or modifying those contained in the standard form ; and all such slips, riders, and provisions must be signed by the officers or agent of the company so using them.

The said standard form of policy shall be plainly printed, and no portion thereof shall be in type smaller than long primer, and shall be as follows : to wit, —

No. §————
[Corporate name of the company or association : its principal place or places of business.]

This company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens.

In consideration of _____ dollars to them paid by the insured, hereinafter named, the receipt whereof is hereby acknowledged, do insure _____ against loss or damage by fire, to the amount of _____ dollars.

(Description of property insured.)

Lills of exchange, notes, accounts, evidences and securities of property of every kind, books, wearing apparel, plate, money, jewels, medals, patterns, models, scientific cabinets and collections, paintings, sculpture, and curiosities are not included in said insured property, unless specially mentioned.

Property not covered by policy.

Said property is insured for the term of _____, beginning on the _____ day of _____, in the year _____, at noon, and continuing until the _____ day of _____, in the year _____ hundred and _____, at noon, against all loss or damage by FIRE originating from any cause except invasion, foreign enemies, civil commotions, riots, or any military or usurped power whatever ; the amount of said loss or damage to be estimated according to the actual value of the insured property at the time when such loss or damage happens, but not to include loss or damage caused by explosions of any kind unless fire ensues, and then to include that caused by fire only.

Perils insured against.

This policy shall be void if any material fact or circumstance stated in writing has not been fairly represented by the insured, — or if the insured now has or shall hereafter make any other insurance on the said property without the assent in writing or in print of the company, — or if, without such assent, the said property shall be removed,

Matters avoiding Policy.

except that, if such removal shall be necessary for the preservation of the property from fire, this policy shall be valid without such assent for five days thereafter, — or if, without such assent, the situation or circumstances affecting the risk shall, by or with the knowledge, advice, agency, or consent of the insured, be so altered as to cause an increase of such risks, or if, without such assent, the said property shall be sold, or this policy assigned, or if the premises hereby insured shall become vacant by the removal of the owner or occupant, and so remain vacant for more than thirty days without such assent, or if it be a manufacturing establishment running in whole or part extra time, except that such establishments may run in whole or in part extra hours not later than nine o'clock P.M., or if such establishments shall cease operation for more than thirty days without permission in writing indorsed hereon, or if the insured shall make any attempt to defraud the company, either before or after the loss, — or if gunpowder or other articles subject to legal restriction shall be kept in quantities or manner different from those allowed or prescribed by law, — or if camphene, benzine, naphtha, or other chemical oils or burning fluids shall be kept or used by the insured on the premises insured, except that what is known as refined petroleum, kerosene, or coal-oil may be used for lighting.

Assured to protect property in case of exposure to fire. If the insured property shall be exposed to loss or damage by fire, the insured shall make all reasonable exertions to save and protect the same.

Statement by insured in case of loss. In case of any loss or damage under this policy, a STATEMENT in writing, signed and sworn to by the insured, shall be forthwith rendered to the company, setting forth the value of the property insured, the interest of the insured therein, all other insurance thereon, in detail, the purposes for which and the persons by whom the building insured, or containing the property insured, was used, and the time at which and manner in which the fire originated, so far as known to the insured. The company may also examine the books of account and vouchers of the insured, and make extracts from the same.

Payment of loss to be made within sixty days after proof, unless company elects to replace or repair. In case of any loss or damage, the company, within sixty days after the insured shall have submitted a statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, or replace the property with other of the same kind and goodness, — or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately insured by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property insured to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as above provided.

Apportionment of loss in case of other insurance. If there shall be any OTHER INSURANCE on the property insured, whether prior or subsequent, the insured shall recover on this policy no greater proportion of the loss sustained than the sum hereby insured bears to the whole amount insured thereon. And whenever the company shall pay any loss, the insured shall assign to it, to the extent of the amount so paid, all rights to recover satisfaction for the loss or damage from any person, town, or other corporation, excepting other insurers; or the insured, if requested, shall prosecute therefor at the charge and for the account of the company.

Insurance to assign to company claims against third parties. If this policy shall be made payable to a mortgagee of the insured real estate, no act or default of any person other than such mortgagee or his agents, or those claiming under him, shall affect such mortgagee's right to recover in case of loss on such real estate: *provided*, that the mortgagee shall, on demand, pay according to the established scale of rates for any increase of risks not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy, for which no liability exists as to the

Rights of parties in case the policy is made payable to a mortgagee. mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the companies interested, upon such payment, the said mortgage, together with the note and debt thereby secured.

Cancellation of policy. This policy may be CANCELED at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force. The company also reserves the right, after giving written notice to the insured, and to any mortgagee to whom this policy is made payable, and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks.

In case any difference of opinion shall arise as to the amount of loss under

this policy, it is mutually agreed that the said loss shall be referred to three disinterested men, the company and the insured each choosing one out of three persons to be named by the other, and the third being selected by the two so chosen, provided that neither party shall be required to choose or accept any person who has served as a referee in any like case within four months; and the decision of a majority of said referees in writing shall be final and binding on the parties.

Differences to be submitted to referees.

No suit or action against this company for the recovery of any claim by virtue of this policy shall be sustained in any court of law or equity in this commonwealth unless commenced within two years from the time the loss occurred.

In witness whereof the said company has caused this policy to be signed by its president and attested by its secretary [or by such proper officers as may be designated], at their office in [date]

SECT. 140. Any insurance company or agent wilfully or knowingly violating any provision of the preceding section, by making, issuing, or delivering any policy of fire insurance in this commonwealth, except as provided in said section, shall, upon complaint made by the insurance commissioner or by any citizen of the commonwealth, be punished by fine of not less than twenty nor more than fifty dollars for the first offence, and of not less than fifty nor more than two hundred dollars for each subsequent offence; but any policy so made, issued, or delivered, shall nevertheless be binding upon the company issuing the same.

Penalty for issuing other policies than such as conform to law. 1881, 166, § 2.

PERMANENT INSURANCE AGAINST LOSS BY FIRE AND LIGHTNING.

SECT. 141. Domestic stock insurance companies and mutual companies with a guaranty capital may issue policies of insurance, which shall not limit the term of the risk, against loss or damage by fire or lightning, on buildings occupied solely for dwelling-houses, together with the out-buildings and private stables usually belonging thereto, and on buildings used exclusively for religious, charitable, and educational purposes; but no such policy shall be issued until the insured has made a deposit in cash with the company, the annual interest of which shall be not less than an adequate yearly rate of premium on the risk incurred, and no part of said deposit shall be returned to the insured while such risk continues in force.

Certain companies may issue perpetual policies against damage by fire or lightning. 1875, 72, § 1.

SECT. 142. All sums so deposited shall be set apart and invested, and shall constitute a distinct fund, the income from which shall become a part of the general funds of the company; but no part of such fund shall be used except as provided in the following section, nor shall the same be advertised by the company in any other manner than as deposits upon perpetual policies.

Sums deposited to be set apart as a distinct fund. 1875, 72, § 2.

SECT. 143. When a policy so issued is terminated at the request of the company, the full amount of the deposit upon the same shall be paid to the insured from said fund; and when a policy so issued is terminated at the request of the insured or in consequence of loss under the same, ninety per cent of the deposit shall be paid to the insured from said fund, and the balance thereof shall be drawn from said fund, and be entered in and become a part of the general funds of the company. In the event of the insolvency of the company, the deposits so made for perpetual insurance shall be returned to the insured.

Disposition of sums deposited when policy is terminated. 1875, 72, § 3.

SECT. 144. The provisions of the preceding section shall be expressed in full in any such perpetual policy before the signatures of the officers signing the same.

Provisions to be expressed in policy. 1875, 72, § 4.

LIFE-INSURANCE COMPANIES.

Mutual life-insurance companies, when to go into operation. Directors. Dividends. Guaranty capital. G. S. 58, § 60. 1836, 33. 1870, 349, § 6.

SECT. 145. Before a mutual life-insurance company goes into operation, a guaranty capital of one hundred thousand dollars shall be paid in money and invested as required by section fifty-five. The subscribers or holders of such guaranty capital shall choose the first board of directors; at all subsequent elections they shall choose one-half of the directors until the redemption of the guaranty capital, when the insured shall choose the directors. The stockholders shall be entitled to such annual dividends not exceeding eight per cent as may be agreed upon at the time of subscribing the capital, if the net surplus over a requisite reservation for liabilities and contingencies is sufficient to pay the same; and if less than the sum originally agreed on, it shall be made equal to it when the profits of the company are sufficient. One-quarter of the estimated surplus fund above a sufficient fund to provide for risks, losses, expenses, and dividends, shall be reserved to be appropriated to the redemption of the guaranty capital; and after the expiration of ten years from the organization, when the amount reserved is sufficient and the insured so vote, the guaranty capital may be redeemed.

Life-insurance companies to pay to Massachusetts General Hospital. 1823, 51, § 2. G. S. 58, § 61.

SECT. 146. Every company empowered to make insurance on lives upon land shall be subject to the same obligations for the payment of a certain share of the profits to the Massachusetts General Hospital as are imposed on the Massachusetts Hospital Life-Insurance Company.

Suplus funds, how often may be distributed. 1866, 33, § 1.

SECT. 147. A mutual life-insurance company may make distribution of such surplus as it may have accumulated, annually, or once in two, three, four, or five years, as the directors may from time to time determine.

Amount of distribution, how determined. 1866, 33, § 2.

SECT. 148. Such company shall, in determining the amount of the surplus to be distributed, reserve an amount not less than the aggregate net value of all its outstanding policies, said value being computed by the "combined experience," or "actuaries'" rate of mortality, with interest at four per cent.

how distributed. G. S. 58, § 60, last cl. 1866, 33, § 3.

SECT. 149. Such company, in making distribution of such surplus, may distribute the same among its members in proportion to the sums of money which each has contributed to the entire surplus to be distributed among all the members, including in such contribution a just and equitable allowance for interest; but no policy on which the premium is payable otherwise than by equal annual payments shall be entitled to a larger distribution than if the premium had been so paid.

on policies payable between distributions. 1866, 33, § 4.

SECT. 150. Policies which have become payable before the time when such distribution is made, and after the date of the last previous distribution of surplus, may share in the same equitably and proportionally.

Life-insurance companies not to take fire risks, etc.

SECT. 151. No life-insurance company shall issue policies insuring fire or marine risks. G. S. 58, § 65.

not to re-insure, except, etc. 1874, 109, § 1.

SECT. 152. No domestic life-insurance company shall re-insure its risks, except by permission of the insurance commissioner; but may re-insure not exceeding one-half of any individual risk.

Notice of annual meetings. 1870, 349, § 7.

SECT. 153. All members of every domestic life-insurance company shall be notified of its annual meetings by a written notice, or by an imprint in the form prescribed in section seventy-eight upon the back of each policy, receipt, or certificate of renewal.

What to be deemed life-insurance companies. 1872, 325, § 7. 1875, 107, § 1.

SECT. 154. All corporations, associations, partnerships, or individuals doing business in this commonwealth under any charter, compact, agreement, or statute of this or any other state, involving an insurance, guaranty, contract, or pledge for the payment of annuities

or endowments, or for the payment of moneys to families or representatives of policy or certificate holders or members, except corporations organized under chapter one hundred and fifteen or under the corresponding provisions of earlier statutes, shall be considered and deemed to be life-insurance companies within the meaning of the laws relating to life insurance within this commonwealth; and shall not make any such insurance, guaranty, contract, or pledge therein, or to or with any citizen or resident thereof, which does not distinctly state the amount of such life benefits, the manner of payment, the period of the continuance thereof, and the amount of the annual, semi-annual, or quarterly premium, or by which the payment of the life benefit assured shall be contingent upon the payment of assessments made upon surviving members, nor except in accordance with and under the conditions and restrictions of these statutes.

1877, 204, § 2.
1880, 196, § 4.

SECT. 155. When the actual funds of a life-insurance company are not of a net cash value equal to its liabilities, including the net value of its policies according to the rule of valuation adopted in section one hundred and fifty-nine, the insurance commissioner shall give notice to such company and its agents to discontinue issuing new policies within this commonwealth until its funds become equal to its liabilities, valuing its policies as aforesaid. An officer or agent who issues a new policy on behalf of such company, after such notice and before its funds have so become equal to its liabilities, shall for each offence forfeit a sum not exceeding one thousand dollars.

Life-insurance companies not to issue policies when their net assets are not equal to liabilities.
1863, 148.

SECT. 156. The treasurer of the commonwealth in his official capacity shall take and hold on deposit the securities of any domestic insurance company which are deposited for the purpose of complying with the laws of any other state in order to enable such company to commence business in such state. A company depositing such securities may receive the income thereof, and may at any time exchange any of such securities according to the laws of the states in which it may be doing business.

Treasurer to receive securities on deposit.
Income of such deposits.
G. S. 58, § 63.

SECT. 157. Every insurance company doing business in this commonwealth shall annually pay into the treasury of the same, by the way of compensation for the valuation of its policies, one cent on every thousand dollars insured by it on lives.

Payment for valuation of policies.
G. S. 58, § 64.

SECT. 158. The insurance commissioner may prevent the publication of any part of the annual statements of the life-insurance companies until his annual report is made to the general court.

Commissioner may prevent publication of report in advance.
1864, 220, § 1.

FORFEITURE OF LIFE-INSURANCE POLICIES.

SECT. 159. No policy of life insurance issued between the ninth day of May in the year eighteen hundred and sixty-one and the first day of January in the year eighteen hundred and eighty-one by a domestic company shall be forfeited or become void by the non-payment of premium thereon, any further than regards the right of the party insured therein to have it continued in force beyond a certain period, to be determined as follows: to wit, The net value of the policy, when the premium becomes due and is not paid, shall be ascertained, according to the "combined experience," or "actuaries'" rate of mortality, with interest at four per cent per annum. After deducting from such net value any indebtedness to the company or notes held by the company against the insured, which notes, if given for premium, shall then be cancelled, four-fifths of what remains shall be considered as a net single premium of temporary insurance, and the term for which it will insure shall be determined according to the age of the party at the time of the lapse of premium and the assumptions of mortality and interest aforesaid.

Certain life policies not to be forfeited by non-payment of premium, for certain time.
Proceedings upon non-payment of premium.
1861, 186, § 1.
1880, 232, § 6.
100 Mass. 500.
103 Mass. 234.
127 Mass. 133.

In case of death of insured after non-payment of premium and within specified time, company to pay insurance in certain cases.
1851, 185, § 2.
1880, 232, § 6.
103 Mass. 254.
127 Mass. 153.

SECT. 160. If the death of such party occurs within the term of temporary insurance covered by the value of the policy as determined in the preceding section, and if no condition of the insurance other than the payment of premium is violated by the insured, the company shall pay the amount of the policy the same as if there had been no lapse of premium, any thing in the policy to the contrary notwithstanding: *provided*, that notice of the claim and proof of the death shall be submitted to the company within ninety days after the decease, and that the company may deduct from the amount insured in the policy the amount at six per cent per annum of the premiums that had been forborne at the time of the death.

Forfeiture for non-payment of premiums, of policies issued after Jan. 1, 1831.
1880, 232, § 1.
1881, 63, § 1.

SECT. 161. No policy of life or endowment assurance issued after the thirty-first day of December in the year eighteen hundred and eighty by a domestic company shall become forfeited or void for non-payment of premium after two full annual premiums have been paid thereon, in cash or note, or both; but upon default in a subsequent premium payment such policy shall become subject to the conditions expressed in the four following sections, any stipulation or condition of forfeiture contained in the policy or elsewhere to the contrary notwithstanding; and any waiver by the assured of the provisions of this and the four following sections shall be void; but the provisions of this section and of said sections shall not prevent the performance of any stipulation or condition in any policy issued before the fifth day of March in the year eighteen hundred and eighty-one.

Insurance and value of such policies upon default of payment of third or subsequent annual premium.
1880, 232, § 2.

SECT. 162. In case of default in the payment of a third or of any subsequent annual premium on any such policy, then, without further negotiation or stipulation, such policy shall be binding upon the company for an amount of paid-up insurance which the then net value of the policy, less any indebtedness of the assured to the company and a surrender charge as provided in the following section, will purchase as a net single premium for life or endowment assurance maturing or terminating at the same time and in the same manner as provided in the original policy contract; that is to say, no condition of the policy contract other than for the payment of premiums shall be affected by the provisions of sections one hundred and sixty-one to one hundred and sixty-five inclusive; nor shall any change be made in the terms of said contract on account of default in premium payment, after two full annual premiums have been paid as provided in the preceding section, except as herein set forth. The net value of the policy, including all dividend additions declared thereon at the date of said default, shall be ascertained according to the "combined experience," or "actuaries'" rate of mortality, with interest at four per cent per annum; and from such value shall be deducted any indebtedness of the insured to the company or notes held by the company against the insured, and a surrender charge to be determined as provided in the following section.

Determination of surrender charge.
1880, 232, § 3.

SECT. 163. Said surrender charge shall be determined as follows: Assuming the rate of mortality and interest mentioned in the preceding section, the present value of all the normal, future, yearly costs of insurance which by its terms said policy is exposed to pay in case of its continuance shall be calculated, and eight per cent of this sum shall be the legal surrender charge.

Surrender value payable in cash.
1880, 232, § 4.

SECT. 164. When after the payment of two annual premiums as provided in section one hundred and sixty-one the insurable interest in the life of the insured has terminated, the net value of the policy, subject to the conditions named in section one hundred and sixty-two, shall be a surrender value payable in cash; and upon the termination of such insurable interest the holder of a policy upon which by its terms

no further premiums are payable may upon any anniversary thereof claim and recover in cash from the company a surrender value computed as aforesaid; but upon policies of prudential or industrial insurance, on which the premiums are five cents per week and upwards, but not exceeding fifty cents, the surrender value shall in all cases be payable in cash.

SECT. 165. The insurable interest named in the preceding section shall be construed to have terminated when the insured has no minor or dependent child; and his wife, if he has one, and any living beneficiary or beneficiaries named in the policy, shall join in the application for surrender thereof.

Termination of insurable interest.
1880, 232, § 5.

SECT. 166. The provisions of the seven preceding sections shall not apply to foreign life-insurance companies.

Foreign life-insurance companies.
1877, 61, § 1.

LIFE-INSURANCE POLICIES FOR THE BENEFIT OF MARRIED WOMEN, ETC.

SECT. 167. A policy of insurance on the life of a person, expressed to be for the benefit of a married woman, or assigned, transferred, or made payable to a married woman or to any person in trust for her or her benefit, whether procured by herself, her husband, or any other person, and whether such transfer be made by her husband or any other person, shall inure to her separate use and benefit and that of her children, independently of her husband or his creditors or the person effecting or transferring the same or his creditors. A trustee may be appointed by the party obtaining the policy, or, if no such appointment is made, then by the judge of the probate court for the county in which the married woman for whose benefit said policy is made or transferred resides, to hold her interest in such policy or the proceeds thereof. When a policy is effected by any person on his own life or on the life of another, expressed to be for the benefit of such other or his representatives or a third person, the person for whose benefit it was made shall be entitled thereto against the creditors and the representatives of the person effecting the same. If the premium is paid by a person with intent to defraud his creditors, an amount equal to the premium so paid with interest thereon shall inure to the benefit of his creditors, subject, however, to the statute of limitations.

Policy for benefit of married woman, to whom to inure. By one person for benefit of another. Rights of creditors. G. S. 58, § 62. 1864, 197. 11 Allen, 224. 97 Mass. 359. 99 Mass. 154, 157, 342. 118 Mass. 219.

RECEIVERS OF INSURANCE COMPANIES.

SECT. 168. The compensation of receivers of insolvent insurance companies shall be fixed by the supreme judicial court.

Compensation. 1872, 302, § 1.

SECT. 169. All accounts rendered to the supreme judicial court by such receivers shall be referred to the insurance commissioner, who shall carefully examine the same, and report thereon to the court.

Accounts. 1876, 83, § 1.

SECT. 170. The insurance commissioner or his deputy, at least once in every year, and as much oftener as he may deem expedient, shall examine the accounts and doings of all such receivers, and shall include in his annual report to the general court the result of such examinations.

Commissioner to report results of examinations. 1876, 83, § 2.

SECT. 171. For the purposes aforesaid, the commissioner or his deputy shall have free access to the official books and papers of such receivers relating to their transactions, and may examine, under oath, such receivers relative to such transactions.

to have access to books and papers. 1876, 83, § 3.

SECT. 172. The commissioner, when in his opinion any receiver has violated his duty in his office, or further proceedings on the part of receivers to collect an assessment will not offer substantial relief to the creditors, shall forthwith certify the facts to the supreme judicial court.

to certify facts to court when receiver has violated his duty, etc. 1876, 83, § 4.

Receivers to deposit unclaimed moneys or dividends with treasurer. 1890, 25.

SECT. 173. Receivers having unclaimed moneys or dividends belonging to any such company remaining in their hands for one year after final settlement ordered by the court shall deposit the amount so remaining, with a schedule of the names and residences, so far as known, of the parties entitled thereto, with the treasurer of the commonwealth; who shall receive and hold the same in trust, and shall pay over the same to such parties or their representatives, upon proper demand made therefor, and upon being furnished with evidence satisfactory to him of the identity of the claimant and the justice of the claim.

INDIVIDUAL INSURERS, LLOYDS' ASSOCIATIONS, ETC.

Person, partnership, or association of individuals not to insure without permission; to be subject to general laws. 1878, 218, § 1.

SECT. 174. No person or association of persons, whether associated as a partnership or otherwise, shall within this commonwealth, either as principal or agent, undertake or offer to carry on the business of insurance or make or procure to be made any contract of insurance upon property belonging to another person, except when acting as agents of domestic insurance companies, without a license or permission granted as required in the case of insurance companies of other states, and under the same conditions and regulations governing such insurance companies in this commonwealth.

Lloyds' associations. Not to insure lives. 1878, 218, §§ 2, 3.

SECT. 175. Associations of individuals, whether citizens of this commonwealth or of other states in the United States, formed upon the plan known as Lloyds (whereby each member underwrites or becomes liable for a part of the whole amount insured by a policy), may transact any kind of insurance business, other than life insurance, in this commonwealth, upon like terms and subject to like restrictions as are or shall be provided by law for insurance companies of other states of the United States or for their agents; but such associations shall not transact the business of life insurance. The insurance commissioner shall have the same powers and duties in connection with such associations as are conferred or imposed upon him in connection with insurance companies.

to be subject to insurance laws, etc.; net assets to be deemed their capital. 1878, 218, § 4.

SECT. 176. Such associations and their agents shall be subject to the provisions of all general laws relating to insurance companies of other states of the United States doing business in this commonwealth; and the amount of their net assets shall be considered as their capital.

Penalty. 1878, 218, § 5.

SECT. 177. A person violating the provisions of the three preceding sections shall be punished by fine of not less than two hundred nor more than one thousand dollars.

GENERAL PROVISIONS REGULATING THE BUSINESS OF INSURANCE.

Companies to conduct business in corporate name only; term of policies. G. S. 58, § 24. 1861, 189, § 1. 1878, 72.

SECT. 178. Every insurance company doing business in this commonwealth shall conduct the same in its proper corporate name, and not by various and different names; and the policies and contracts of insurance issued by it shall be headed or entitled only by its proper or corporate name. No policy shall be issued for a term exceeding seven years, except by life-insurance companies, and except as provided in section one hundred and forty-one.

Insurance companies to advertise liabilities when advertising assets. 1878, 87, § 1.

SECT. 179. When an insurance company advertises its assets, it shall in the same connection and with equal conspicuousness advertise its liabilities, to be determined in the manner required in making its annual statement to the insurance commissioner; and all advertisements purporting to show the capital of any such company shall exhibit only the amount of such capital as has actually been paid in cash. All policies, renewals, signs, circulars, cards, or other means

by which public announcements are made, shall be held to be advertisements within the meaning of this section.

SECT. 180. Any such company or any agent thereof issuing or circulating advertisements which are not in conformity with the requirements of the preceding section shall be punished by fine of not less than fifty nor more than five hundred dollars.

Penalty.
1878, 87, § 2.

SECT. 181. No oral or written misrepresentation made in obtaining or securing a policy of fire or life insurance shall be deemed material, or defeat or avoid the policy, or prevent its attaching, unless such misrepresentation is made with actual intent to deceive, or unless the matter misrepresented increases the risk of loss.

Misrepresentations.
1878, 157, § 1.

SECT. 182. When a person is convicted of violating any law regulating the negotiation of contracts of insurance or the placing of risks in companies not authorized to transact the business of insurance in this commonwealth, and is sentenced to pay a fine therefor, the person or persons, other than the insurance commissioner or his deputy, upon whose complaint such conviction is had, shall receive one-half of the fine so paid.

One-half of fine for effecting fraudulent insurance, etc., to be paid complainant.
1873, 142, § 1.

SECT. 183. Whoever solicits insurance on behalf of a domestic fire or life insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from said company, or advertises that he will receive or transmit the same, shall be held to be an agent of such company, to all intents and purposes, unless it appears that he receives no commission or other compensation or consideration for such service from such company.

Persons soliciting insurance, etc., to be held to be agents of the companies.
1361, 170.
1864, 114, § 1.
9 Allen, 231.
103 Mass. 78.
126 Mass. 316.

SECT. 184. Whoever solicits insurance on behalf of a foreign insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from such company, or advertises that he will receive or transmit the same, shall be held to be an agent of such company, to all intents and purposes, and subject to all the duties, requisitions, liabilities, and penalties relating to such agents.

Who to be deemed agents of foreign insurance companies.
1864, 114, § 1.
103 Mass. 78.

SECT. 185. An agent making insurance in violation of law, or knowingly procuring by fraudulent representations payment or an obligation for the payment of a premium for insurance, shall forfeit for each offence a sum not exceeding one thousand dollars; and the governor and council may allow such reasonable compensation for services rendered and expenses incurred in enforcing the laws relating to insurance as they deem proper.

Penalty on agents.
G. S. 58, §§ 74, 77.
8 Gray, 206.
102 Mass. 221.
103 Mass. 78.
126 Mass. 316.

SECT. 186. Whoever acts or aids in any manner in negotiating contracts of insurance or re-insurance, or placing risks, or effecting insurance or re-insurance, for a person other than himself, receiving compensation therefor, and not being the officer, agent, or sub-agent of the company in which such insurance or re-insurance is effected, shall be deemed to be an insurance broker.

Insurance brokers.
1839, 63, § 1.
1871, 237, § 8.

SECT. 187. No person shall act as an insurance broker until he has procured from the insurance commissioner a certificate of authority so to act. Such certificate shall continue in force for one year, and shall authorize the person named therein to negotiate contracts of insurance or re-insurance, or place risks, or effect insurance or re-insurance with any domestic insurance company or its agents, and with the agents of any foreign insurance company duly authorized to do business in this commonwealth: *provided*, such agent has duly given bond to make returns and pay taxes, and has complied with all other requirements of law. Whoever assumes to act as an insurance broker otherwise than as aforesaid shall be held to be an insurance agent, and subject to all the duties, requisitions, liabilities, and penalties relating to such agents.

not to act without certificate. Liability of unauthorized brokers.
1839, 63, §§ 2, 3.
1871, 237, § 8.
1873, 164, § 1.

SECT. 188. For each certificate so granted, and for each renewal thereof, the commissioner shall collect ten dollars.

Fee for certificates.
1869, 93, § 3.

Penalty.
1869, 93, § 4.

Revocation of
broker's certi-
ficate upon fail-
ure to pay over
premiums col-
lected.
1877, 29, § 1.

Statement of
facts by com-
pany aggrieved.
Broker may be
heard.
1877, 29, § 2.

Broker to be
notified.
Proof of notice.
1877, 29, § 3.

Notice of revo-
cation to be
published.
1877, 29, § 4.

Agent or broker
to be agent of
the company
for receiving
the premium.
1878, 168, § 1.

Laws regulat-
ing domestic
companies to
apply to all
insurers, ex-
cept, etc.
1867, 207, § 1.
1873, 141, § 14.
1877, 61, § 1.
See § 166, above.

SECT. 189. Whoever violates any provision of sections one hundred and eighty-six or one hundred and eighty-seven shall be punished by fine not exceeding five hundred dollars.

SECT. 190. When it appears to the insurance commissioner that an insurance broker holding a certificate has collected the premium or any portion thereof upon a policy of insurance intrusted to him by a domestic insurance company, or by any duly authorized agent in this commonwealth of a foreign insurance company, and has failed or neglected to pay over the same to the company or agent entitled thereto, within thirty days from the time it was collected, the commissioner shall revoke the certificate of such broker, and such certificate shall not be renewed nor a new certificate granted to him within one year from the date of such revocation.

SECT. 191. Before a certificate is so revoked, the commissioner shall require a written statement of facts signed and sworn to by an officer of such aggrieved company or by the agent, showing the amount of premium and of whom and by whom collected, for what policy or policies, the date of such payment or payments, and such other evidence as he may desire, clearly to establish the facts in the case; and such broker may be heard, in such manner and at such time as the commissioner shall determine.

SECT. 192. The company or agent shall, at least five days before furnishing such statement, give a copy thereof to the broker, personally, or by letter postpaid or left at his residence or place of business, with a written notice of the time when the same is to be presented to the commissioner, and shall furnish proper proof that such notice has been given.

SECT. 193. The commissioner shall cause notice of every such revocation to be published in such manner as he may deem best for the protection of the public.

SECT. 194. An insurance agent or broker who acts for a person other than himself in negotiating a contract of insurance by any insurance company, shall, for the purpose of receiving the premium therefor, be held to be the agent of such company, any thing in the policy or contract of insurance to the contrary notwithstanding.

SECT. 195. The general provisions of law relating to the duties, obligations, prohibitions, or penalties which appertain to domestic insurance companies, and defining the powers and duties of the insurance commissioner in reference thereto, except when otherwise specially provided, and except when such construction would be inconsistent with the manifest intent of the general court, shall be applicable to all corporations, companies, associations, partnerships, or individuals, foreign or domestic, doing as principals any kind of insurance business in this commonwealth; and the provisions of all general laws relating specially to insurance companies incorporated or associated under the laws of any government, other than one of the United States, shall be applicable to all companies, associations, partnerships, and individuals of such other governments doing as principals any kind of insurance business in this commonwealth.

FOREIGN COMPANIES.

General Provisions.

Foreign insur-
ance companies
not admitted,
unless, etc.
1872, 375, § 16.

Stock com-
panies to have
capital paid in

SECT. 196. No foreign insurance company shall be admitted to do business in this commonwealth unless it has at least the amount of unimpaired capital stock or funds required of like companies hereafter organized in this commonwealth, located in the city of Boston.

SECT. 197. No such stock company shall by its agent in this commonwealth insure property therein or contract for insurance with any

residents thereof, unless its capital stock to the amount required by the preceding section has been paid in cash and invested, exclusive of stockholders' obligations of any description not secured as required in section fifty-five, and exclusive of its debts; nor unless it is restricted by its charter or otherwise from incurring any greater hazard in one risk than one-tenth of its unimpaired capital, nor unless it has complied with the provisions of this chapter.

SECT. 198. Before any such company, whether doing business on the stock or mutual plan, by its agents transacts any business in this commonwealth, it shall satisfy the insurance commissioner that it has the amount of funds required by this chapter, and has complied with all other provisions of the same.

5 Gray, 501.

SECT. 199. Every such company shall before making any insurance in this commonwealth deposit with the insurance commissioner a copy of its charter or deed of settlement, and a statement in the form required by him adapted to its business, signed and sworn to by its president and secretary; and shall pay into the treasury thirty dollars for filing the copy of its charter or deed of settlement, and twenty dollars for filing the statement required by this section.

SECT. 200. If insurance is made by any such company without complying with the requisitions of this chapter, the contract shall be valid, but the agent making the insurance shall be punished by fine not exceeding one thousand dollars for each offence.

12 Gray, 201.
5 Allen, 569.

10 Allen, 231.
14 Allen, 336.

102 Mass. 221.
105 Mass. 141.

20 Wallace, 535.
94 U. S. 535.

SECT. 201. When a foreign company, which by its charter or the laws under which it is organized is authorized to transact more than one class or kind of insurance business, makes application for admission to this commonwealth, it shall elect in such application one class or kind of business which it desires to transact therein, and shall be restricted thereto in its business therein. Any such company, which was doing business in this commonwealth on the twentieth day of April in the year eighteen hundred and seventy-nine, shall be confined to the class or kind of insurance elected by it on or before the first day of July in said year; but this section shall not apply to companies transacting the business of marine insurance in connection with fire insurance, or accident insurance in connection with either life or fidelity insurance; but the business of fidelity insurance shall not be transacted in this commonwealth by any company having a capital of less than two hundred thousand dollars.

SECT. 202. Every foreign insurance company shall, before doing business in this commonwealth, appoint in writing the insurance commissioner or his successor in office to be its true and lawful attorney, upon whom all lawful processes in any action or proceeding against it may be served; and in such writing shall agree that any lawful process against it which is served on said attorney shall be of the same legal force and validity as if served on the company, and that the authority shall continue in force so long as any liability remains outstanding against the company in this commonwealth. A copy of the writing, duly certified and authenticated, shall be filed in the office of the commissioner, and copies certified by him shall be deemed sufficient evidence thereof. Service upon such attorney shall be deemed sufficient service upon the principal.

SECT. 203. When legal process against any such company is served upon the commissioner, he shall immediately notify the company of such service by letter prepaid and directed to its secretary, or, in the case of a company of a foreign country, to the resident manager, if any, in this country; and shall, within two days after such service, forward in the same manner a copy of the process

cash, etc., and to be restricted as to single risks.
G. S. 58, § 66.
1872, 375, § 16.
8 Gray, 206.
1 Allen, 436.
102 Mass. 222.
105 Mass. 578.

Foreign companies to satisfy commissioner of amount of funds, etc.
G. S. 58, § 67.
1872, 375, § 16.

to deposit statement and copy of charter, etc. Fees.
G. S. 58, § 71, pt. 1.
1867, 267, § 4.
1878, 36, § 3.
2 Allen, 398.

If company fails to comply, insurance valid, but agents liable to penalty, etc.
G. S. 58, § 72.

Foreign companies to elect and be restricted to one kind of insurance, except, etc.
1879, 130.
1881, 51.

to appoint insurance commissioner attorney, on whom process may be served, etc.
1878, 36, § 1.
12 Gray, 207.
10 Allen, 231.
14 Allen, 336.
20 Wallace, 535.
94 U. S. 535.
105 Mass. 141.

Commissioner to notify company when process is served, etc.; fees; to keep record of processes served.
1878, 36, § 2.

1879, 14, § 1.

Persons not
complying, not
to act as agents.
Penalty.
G. S. 53, § 74.
See §§ 9, 200,
above.

Foreign agents
to exhibit name
of state on sign,
and print same,
etc., on policies,
etc.
G. S. 53, § 73.

Agents not to
make or procure
insurance until
bond approved
by commissioner
is filed.
Penalty.
1873, 141, § 11.
1873, 79, § 1.

Exception of
certain agents.

Commissioner
to transmit bond
to treasurer.
1873, 79, § 1.

Treasurer may
require new
bond. Penalty.
1873, 141, § 12.
1873, 36.

Agents, etc., of
foreign com-
panies not to
act till certifi-
cate of authority
is obtained, etc.
1867, 207, § 5.
105 Mass. 149.

served on him to such secretary or manager, or to any person previously designated by the company in writing. The plaintiff in each process so served shall pay to the commissioner at the time of such service a fee of two dollars, which shall be recovered by him as part of the taxable costs, if he prevails in the suit. The commissioner shall keep a record of all processes served upon him, which record shall show the day and hour when such service was made.

SECT. 204. No person shall act as agent of a foreign insurance company until he has complied with all the requirements of law relating to such companies and their agents; and every person so acting without such compliance shall be punished by fine not exceeding one thousand dollars for each offence. 102 Mass. 221.

SECT. 205. Every person acting for a foreign insurance company shall exhibit in conspicuous letters, on the sign designating his place of business, the name of the state or country under whose authority the company he represents has been incorporated or formed. And said company and agent shall also have printed in large type the name of such state or country and the kind of office, whether chartered or formed as a mutual or stock company, upon all policies issued to citizens of this commonwealth, on all cards, placards, and pamphlets, and in all advertisements published, issued, or circulated in this commonwealth by them or him, relating to the business of such company.

SECT. 206. No person shall, as agent of any foreign insurance company, make or procure to be made any insurance in this commonwealth, until he has given a bond to the treasurer of the commonwealth, with sufficient sureties, to be approved by the insurance commissioner, whose approval shall be indorsed thereon, in the sum of two thousand dollars, with condition that he will make all the returns, and pay all taxes, fines, and penalties, which, by the provisions of the laws of this commonwealth, he may be required to make and pay, according to the requirements of such laws. Any person making insurance or causing or procuring insurance to be made in violation of the provisions of this section shall be punished by fine not exceeding one thousand dollars: *provided*, that agents in this commonwealth of foreign life-insurance companies, who are accountable to any agent therein for premiums received, need not give such bond.

SECT. 207. The insurance commissioner upon his approval of any such bond shall forthwith transmit the same to the treasurer of the commonwealth.

SECT. 208. If at any time the treasurer becomes satisfied that a bond filed with him by an agent of an insurance company has become insufficient as a security, he shall require such agent to file a new bond with another surety or sureties, with like conditions. The same penalties and prohibitions shall apply to any agent failing, for the space of ten days after notice, to file such new bond, as are provided for failure or neglect to file the original bond.

SECT. 209. No officer, agent, or sub-agent of a foreign insurance company shall act or aid in any manner in transacting the business of insurance of or with such company, or placing risks or effecting insurance in this commonwealth, without first procuring from the insurance commissioner a certificate of authority so to do, for each company for which he proposes to act, which shall state in substance that it is duly authorized to do business in this commonwealth, and that such agent or other person has duly complied with the laws relating to the agents of such companies. The commissioner, upon being satisfied of the truth of the statements contained therein, shall grant such certificate, which shall continue in force until the first day of April next after the date thereof, unless sooner revoked by him for

non-compliance with said laws, and shall be renewed on said day and annually thereafter, so long as the company and its agents continue to comply with said laws. For such certificate, and for each renewal thereof, the company named therein shall pay into the treasury two dollars. Whoever violates the provisions of this section shall be punished by fine not exceeding five hundred dollars for each offence.

SECT. 210. The agent of any such company, which fails to comply with the law of this commonwealth as to the appointment of an attorney, shall be personally liable on all contracts of insurance made by or through him, directly or indirectly, for and in behalf of any such company.

Agents of com-
pany, etc., not
complying, to
be personally
liable for its
contracts.
1864, 114, § 2.

1878, 36, § 4.

SECT. 211. The agent of any such company, which neglects to pay the taxes imposed on it by the laws of this commonwealth, shall be personally liable therefor, and the same may be recovered of him in an action of tort in the name of the commonwealth.

and for taxes.
1864, 114, § 3.

SECT. 212. Every agent of a foreign insurance company which neglects to make the returns required by this chapter shall forfeit twenty-five dollars for each neglect, to be recovered by the treasurer of the commonwealth. Every agent so neglecting shall be immediately notified thereof by the treasurer; and if he continues said neglect for ten days after such notice is deposited in the post-office, he shall forfeit five hundred dollars for every such neglect, to be recovered by the treasurer: *provided*, that no agent shall be held liable if it is made to appear to the satisfaction of the treasurer that the returns were duly made and deposited by said agent in the post-office, properly directed to the insurance commissioner, and that there was no neglect on the part of such agent.

Penalty on
agent of foreign
company neg-
lecting to make
returns.
Exception.
G. S. 53, § 76.

SECT. 213. When, after setting aside a sum equal to the premiums for the unexpired term on existing risks, the cash assets of a foreign stock fire-insurance company do not amount to more than three-fourths of its original capital, it shall make good its capital to the original amount, and no such company shall be permitted to do business in this commonwealth unless it complies with the provisions of this section.

Foreign fire
companies to
make good capi-
tal, if impaired.
1863, 249, § 10.
11 Allen, 574.

SECT. 214. Foreign companies insuring plate glass in this commonwealth, and any agent of any such company, who aids in receiving or procuring applications for such insurance, or assists in any manner in transacting the business aforesaid, shall respectively have the powers and privileges, and shall be subject to the duties, liabilities, and restrictions, regulating the business of fire insurance by foreign companies and their agents, so far as applicable to this class of insurance; except that such corporations shall not be required to possess more than fifty thousand dollars of actual capital.

Foreign corpo-
rations, insuring
plate glass,
subject to laws
regulating fire
insurance,
except, etc.
1873, 167, § 3.

Companies, etc., of other States of the United States.

SECT. 215. Like fines, fees, penalties, deposits, obligations, and prohibitions (not being less in amount than those required by other provisions of law of this commonwealth in similar cases) are imposed upon and required of all insurance companies, corporations, associations, and partnerships incorporated or associated by authority of any other state of the United States doing insurance business in this commonwealth, and their agents doing business for or with them, as are or shall hereafter be, by law of such state, imposed upon companies incorporated by this commonwealth, or upon their agents, doing insurance business in such state. Compliance with the requirements of the provisions of this section, as to deposits, obligations, and prohibitions, may be enforced, and all such fines, fees, and penalties

Fees, deposits,
penalties, fines,
obligations, and
prohibitions
imposed by
other states, to
be imposed
here. Compli-
ance to be
enforced by
injunction, etc.
1862, 131, § 1.
1873, 141, § 6.

may be collected by information brought in the supreme judicial court by the attorney-general at the relation of the insurance commissioner; and upon such information, and upon a request therefor, the court may upon notice or otherwise, in its discretion, issue an injunction restraining the further prosecution of the business of such company, corporation, association, partnership, or agent, until such requirements are complied with, and until such fines, fees, and penalties are paid, with costs and interest.

SECT. 216. Securities deposited with the treasurer of the commonwealth under the provisions of the preceding section may be surrendered to the company so depositing the same, whenever satisfactory proof is furnished to the insurance commissioner that the company has ceased to do business in this commonwealth, and that all its liabilities to the commonwealth and to holders of policies effected therein have been cancelled and discharged.

SECT. 217. A fire-insurance company, incorporated by or under the law of any other state of the United States, and by such law authorized to issue policies upon both the cash and mutual plans, may issue policies in this commonwealth for premiums payable wholly in cash: *provided*, that it shall transact no business in this commonwealth until it has satisfied the insurance commissioner that it is possessed of cash assets, over and above all liabilities except unearned premiums, equal to fifty per cent of all cash premiums on policies in force, and that it has premium notes liable to assessment amounting to at least two million dollars, which notes may by law be or become a lien upon the property insured and liable to assessment for the payment of losses and expenses for their full amount; and that it has complied with all laws of this commonwealth which are applicable to such companies; and that no such company shall have at risk in any fire-insurance district an amount exceeding its net cash assets.

Companies, etc., of Foreign Countries.

Companies, etc., of foreign countries to deposit with treasurer not less than amount required as capital of companies located in Boston. Policies not to be made invalid by war. 1878, 130, §§ 1, 7.

SECT. 218. No foreign insurance company, incorporated or associated under the laws of any government or state other than one of the United States, shall make contracts of insurance in this commonwealth until it has made a deposit with the treasurer of this commonwealth, or with the proper officer of some other state of the United States, of a sum not less than the amount required by law as the capital of like corporations organized in this commonwealth and located in the city of Boston. Such deposit may be made in the bonds of this commonwealth, or of Connecticut or New York, or in bonds or public stocks of the United States, in trust for the benefit and security of all its policy-holders in the United States; and no policy so issued to a citizen of this commonwealth shall be invalidated by the occurrence of hostilities between the government of the United States and the government under the laws of which the company was organized.

Capital of such companies, etc., what to be deemed. Securities and assets to be held by trustees. 1878, 130, §§ 2, 7.

SECT. 219. The capital of every such company shall, for all the purposes of the insurance laws of this commonwealth, be deemed to be the aggregate value of its money or securities deposited as aforesaid, and all sums lent on real estate security in any state in the United States in conformity with the laws of such state providing for the investment of the assets of insurance companies therein, and all other assets in the United States in which domestic insurance companies may invest, (if such real estate securities and assets are held in the United States by trustees who are citizens of the United States, and approved by the insurance commissioner, for the benefit of all its policy-holders and creditors in the United States,) after making

the same deduction from such aggregate value for losses and liabilities in the United States and for premiums upon risks therein not expired as is required by the laws of this commonwealth or the regulations of its insurance department with respect to domestic insurance companies.

SECT. 220. The trustees referred to in the preceding section shall be appointed by the directors of the company, and a certified copy of the vote by which they are appointed and of the deed of trust shall be filed in the office of the insurance commissioner, who may examine such trustees under oath, and such assets, and the books and accounts relating thereto, in the same manner as he may examine the officers, agents, assets, books, and accounts of any company authorized to do insurance business in this commonwealth.

Trustees to be appointed by directors, etc.
1878, 130, §§ 3, 7.

SECT. 221. No such company, and no agent thereof, shall transact the business of insurance in this commonwealth, until it has complied with the laws of this commonwealth relative to insurance companies of other states, so far as the same may be applicable thereto, and received a license or certificate of authority from the insurance commissioner.

Foreign companies not to do business until licensed.
1878, 130, §§ 4, 7.

SECT. 222. When any such company has complied with the provisions of law relating to its admission to do business in this commonwealth, and the insurance commissioner is satisfied that it is solvent in the United States, he may issue to it a license; and thereupon it may transact business in this commonwealth, subject to the provisions of all general laws which are or may be in force applicable thereto.

License may be issued by commissioner.
1878, 130, §§ 6, 7.

SECT. 223. No such company shall take or have at risk in any fire-insurance district in this commonwealth an amount exceeding its net assets in the United States, which are immediately available for the payment of losses in this commonwealth.

Limit of fire risks in one district.
1878, 130, §§ 5, 7.

SECT. 224. No such company, and no agent of any such company, shall make contracts of insurance or expose such company to loss in this commonwealth, in any one risk or hazard, to an amount exceeding ten per cent of the value of its securities deposited with the several insurance or other departments of the states of the United States, and of its net assets in the hands of trustees appointed as provided in section two hundred and twenty, for the general benefit and security of all policy-holders residing in the United States, which are immediately available for the payment of losses in this commonwealth. Nor shall any such company directly or indirectly contract for or effect a re-insurance of a risk taken by it on property in this commonwealth with any company not authorized to transact the business of insurance therein.

Foreign companies not to insure upon one risk more than ten per cent of the value of securities deposited; nor re-insure in company not authorized.
1870, 340, § 1.

SECT. 225. A company or agent violating any provision of the preceding section shall be punished by fine of five hundred dollars.

Penalty.
1870, 349, § 4.

SECT. 226. Every such company transacting the business of insurance in this commonwealth shall make a full annual statement to the insurance commissioner, verified and sworn to by two or more of its principal officers, before some consul or vice-consul of the United States, of its condition and affairs, in the same manner and form, without erasure or addition, (except necessary explanation,) and subject to the same liabilities, as similar domestic companies. In case of neglect or refusal to make such annual statement, every person acting in this commonwealth as agent or otherwise in transacting the business of insurance for any such company shall be subject to the same penalties provided by law in case of the failure of any domestic company to make its annual statement.

Companies of foreign countries to make returns; penalty for neglect.
G. S. 58, § 75.
1870, 349, §§ 2, 3.

RETURNS.

All companies, etc., to make annual statement to the commissioner. G. S. 58, § 25. 1867, 267, §§ 2, 4.

SECT. 227. Every insurance company doing business in this commonwealth shall file in the office of the insurance commissioner an annual statement of its affairs, on or before the fifteenth day of January in each year, made out for the year ending on the preceding thirty-first day of December; except that the statements of companies of foreign countries shall be filed in the month of November in each year, made out at the home office for the preceding calendar year; and supplementary annual statements of the business and condition of their American branches shall also be filed within the time and made out for the period required of domestic companies. Twenty dollars shall be paid into the treasury by each foreign company for filing each annual statement. The commissioner may extend the time herein prescribed for filing said statement in any case for good cause shown, but not beyond the first day of the month next after the date herein specified for filing the same.

Form of statement. How verified. G. S. 58, §§ 25, 75. 1867, 267, § 3.

SECT. 228. Every such statement shall be made up in the form required by the insurance commissioner in accordance with the following section, and shall be signed and sworn to by the president and secretary, or, if there is no president or secretary, by two or more of the principal officers of the company, or by the individual making the same, in case it is made by an individual.

Basis of statement. Commissioner may amend, etc. G. S. 58, § 25. 1862, 181, § 6. 1867, 267, § 3. 9 Allen, 319. 11 Allen, 574.

SECT. 229. The forms appended to this chapter shall be the basis of the forms to be required by the insurance commissioner, but he may from time to time amend and revise the same, and may propose such additional inquiries as are necessary to elicit a full exhibit of the business and standing of the various companies doing business in this commonwealth.

Penalty for neglect to file statement. 1867, 267, § 3.

SECT. 230. Any such company neglecting to make and file an annual statement in the manner and within the time authorized and prescribed in this chapter shall forfeit one hundred dollars for each day's neglect; and every such company wilfully making false statements shall be punished by fine of not less than five hundred nor more than one thousand dollars. Any new business done by any company or its agents in this commonwealth, after neglect to file any statement so required, shall be deemed to be done in violation of law.

FORMS.

A.

Form of Return for Stock Insurance Companies.

Form for stock companies. Form A. G. S. 58.

1. State the name of the company.
2. Where located.
3. When incorporated.
4. Amount of capital.
5. Amount of capital actually paid in.
6. Number of shares, and par value of each.
7. Amount of fire risks outstanding.
8. Amount of marine risks outstanding.
9. Total amount of outstanding risks.
10. Amount of United States stock or treasury notes owned by the company; state amount of each kind, and par value and market value of each.
11. Amount of state stocks; state amount of each kind, and par value and market value of each.
12. Amount of bank stocks; state amount of each kind, and par value and market value of each.
13. Amount of railroad stocks; state amount of each kind, and par value and market value of each.
14. Amount of railroad bonds; state amount of each kind, and par value and market value of each.
15. Cash value of real estate owned by the company.
16. Amount of cash on hand.
17. Amount of cash in hands of agents.
18. Amount loaned on mortgage of real estate.
19. Amount loaned on collateral.
20. Amount loaned without collateral.
21. Amount of all other investments.
22. Amount of premium notes on risks terminated.
23. Amount of borrowed money, specifying collaterals given for the same.
24. Amount of losses due and unpaid.
25. Amount of losses claimed and unpaid.
26. Amount of losses reported, upon which the liability of the company is not determined.
27. Amount of all other claims against the company.
28. Amount of cash received for premiums on fire

risks. 29. Amount of cash received for premiums on marine risks. 30. Amount of notes received for premiums on fire risks. 31. Amount of notes received for premiums on marine risks. 32. Amount of cash received for interest. 33. Amount of income received from all other sources. 34. Amount of fire losses paid last year. 35. Amount of marine losses paid last year. 36. Amount of dividends paid the last year. 37. Amount paid for expenses of office. 38. Amount of other expenditures. 39. Amount received in cash for fire risks not terminated. 40. Amount required to re-insure all outstanding risks. 41. Amount of premium notes on risks not terminated. 42. Amount of delinquent notes not charged to profit and loss. 43. Highest rate of interest received. 44. Highest rate of interest paid on money borrowed. 45. How many shares of the capital stock are pledged to the company. 46. Balance to credit of profit and loss account. 47. Balance to debit of profit and loss account. 48. How many shares of the capital stock are owned by the company, or not subscribed for. 49. What amount of the capital consists of the stockholders' notes.

B.

Form of Return for Mutual Marine and Mutual Fire and Marine Insurance Companies.

Form for mutual marine and fire and marine companies.
Form B.
G. S. 58.
1860, 156, § 1.

1. Name or title of the company. 2. Where located. 3. When incorporated. 4. For what period. 5. Amount invested in United States funded debt, with the amount of each kind owned; state par value and market value, per share. 6. Amount of United States treasury notes owned; state par value and market value, per share. 7. Amount invested in state stocks, with the amount of each kind owned; state par value and market value, per share. 8. Number of shares owned in each bank which are not pledged; state par value and market value, per share. 9. Number of shares owned in each railroad; amount invested in each, at cost on books; state par value and market value, per share. 10. Amount invested in railroad bonds, and amount of each kind at cost on books; state par value and market value, per share. 11. Amount invested in real estate, as it stands on the books of the company. 12. State specifically all other investments or property. 13. Cash on hand. 14. Cash in hands of agents. 15. Amount loaned on mortgage of real estate. 16. Amount loaned on notes secured by collaterals of personal property. 17. Amount loaned on notes without collateral security. 18. Amount of stock notes on hand not overdue. 19. Amount of stock notes on hand that are past due. 20. Amount of premium notes on risks terminated. 21. Amount of premium notes on risks not terminated. 22. Amount of delinquent premium notes not charged to profit and loss. 23. Amount of scrip issued for profits which remains outstanding. 24. Amount of debts due the company other than those before enumerated; state particularly their respective amounts and origin. 25. Amount of marine risks not terminated. 26. Amount of fire risks not terminated. 27. Amount received in cash for fire risks not terminated. 28. State the highest rate of interest received. 29. Amount received for interest. 30. State the highest rate of interest paid for money borrowed. 31. Amount paid for interest. 32. State the amount borrowed which remains unpaid, and state particularly the collateral given for each loan. 33. Amount of fire losses paid the past year. 34. Amount of marine losses paid the past year. 35. Amount of losses ascertained and unpaid. 36. Amount of losses claimed other than those ascertained and unpaid. 37. Amount of expenses, taxes, and commissions paid the past year.

C.

Form of Return for Mutual Fire-Insurance Companies.

Form for mutual fire companies.
Form C.
1862, 181, § 6.

1. Name of company. 2. Where located. 3. When incorporated. 4. Date of commencement of business. 5. Amount insured by existing policies. 6. Amount of premiums and deposits on same. 7. Amount of premiums on same received in cash. 8. Amount of United States and state stocks or notes; state par value and market value of each. 9. Amount of bank stocks, railroad stocks, and bonds; state number of shares in each bank and railroad company, and par value and market value of each. 10. Cost value of real estate owned by the company. 11. Amount loaned on mortgage of real estate. 12. Amount of other investments. 13. Cash on hand and in bank. 14. Cash in hands of agents. 15. Amount of assessments regarded good, but due and not paid. 16. Amount of losses ascertained and unpaid. 17. Amount of other losses claimed. 18. Amount owed for borrowed money, and on what securities. 19. Amount owing for dividends on expired policies. 20. Amount and particulars of all other liabilities. 21. Estimated amount in cash required to re-insure all outstanding risks. 22. Amount of policies terminated the past year. 23. Amount

of policies issued the past year. 24. Amount of premiums received in cash the past year. 25. Amount of premiums received in notes the past year. 26. Amount received on assessments the past year. 27. Amount received for interest, including dividends on stocks, and all other revenue on investments, the last year. 28. Amount of losses paid the last year. 29. Amount of cash dividends paid to policy-holders the past year. 30. Amount paid in cash as return premiums on policies cancelled the past year. 31. Amount for expenses, taxes, and commissions. 32. State the gain or loss in investment account, arising from changes in market values of securities the past year. 33. Amount assessed the last year. 34. Amount of liability to future assessment. 35. Highest rate of interest paid. 36. Highest rate of interest received. 37. Amount insured on real estate. 38. Amount insured on personal estate. 39. What proportion of the property insured is in Massachusetts. 40. What proportion of the losses was on property in Massachusetts.

D.

Form of Return for Life-Insurance Companies.

Form for life
companies.
Form D.
G. S. 53.
1860, 156, § 2.

1. Name of company. 2. When chartered. 3. For what period. 4. Where located. 5. State in full the assets of the company. 6. Number of shares owned in each bank; state par value and market value, per share. 7. Number of shares owned in each railroad, stating the corporate name of each, and amount invested in each, at cost, on books; state par value and market value, per share. 8. Amount owned in railroad bonds; state par value and market value, per share. 9. Amount invested in real estate, at cost, on the books of the company. 10. Amount loaned on mortgages of real estate. 11. Amount loaned on notes secured by collaterals of personal property. 12. Amount loaned on notes without collaterals. 13. State in full all other investments. 14. How much included in the foregoing statement of assets consists of premium notes on policies not returned as now in force. 15. Number, date, and amount of each outstanding policy not heretofore returned, and age of the insured. 16. Number, date, and amount of each policy which has within the year ceased to be in force, how terminated, what has been paid to the legal holder of the policy, and age of the insured. 17. Amount of losses ascertained and unpaid. 18. Amount of losses claimed against the company, whether acknowledged as due or not by the company. 19. Amount due from the company on its declared, promised, or acknowledged indebtedness or other claims, including dividends, bonuses on distribution of surplus, or as profits. 20. Amount received for premiums the past year. 21. Amount received for premiums in cash. 22. Amount received for premiums in promissory notes or securities. 23. Amount received for interest the past year. 24. Amount paid for interest the past year. 25. Amount of guaranty funds; and state particularly whether the same are in cash or subscription notes. 26. How are dividends, distributions of surplus funds, bonuses, or estimated profits, paid, whether in cash, scrip, or otherwise on credit, and whether on demand, or, if on credit, for what length of time, and whether payable at a specific time or indefinitely at the discretion of the company. 27. Amount paid for expenses, taxes, and commissions the past year.

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